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ORVILLE LOTHROP FREEMAN

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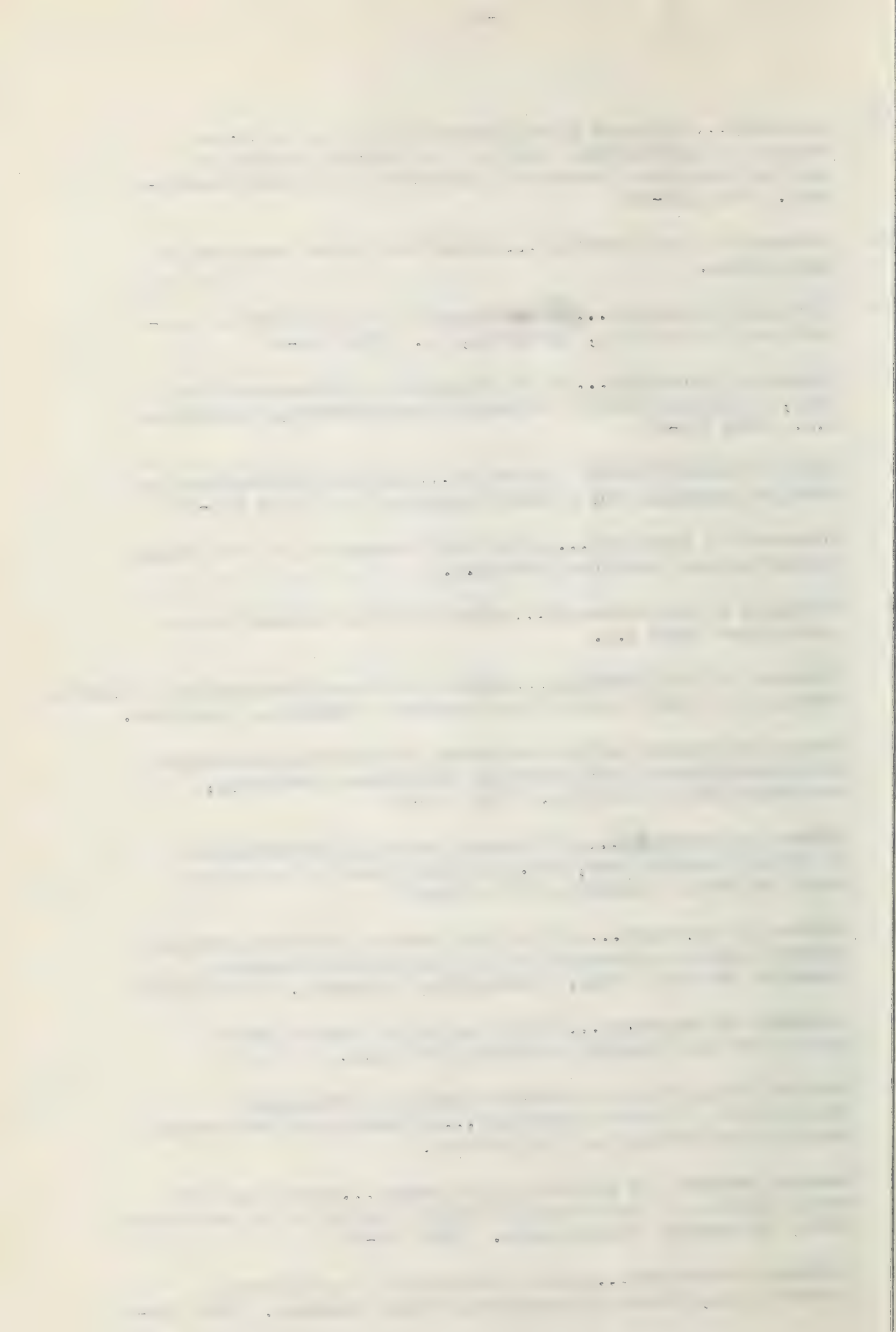
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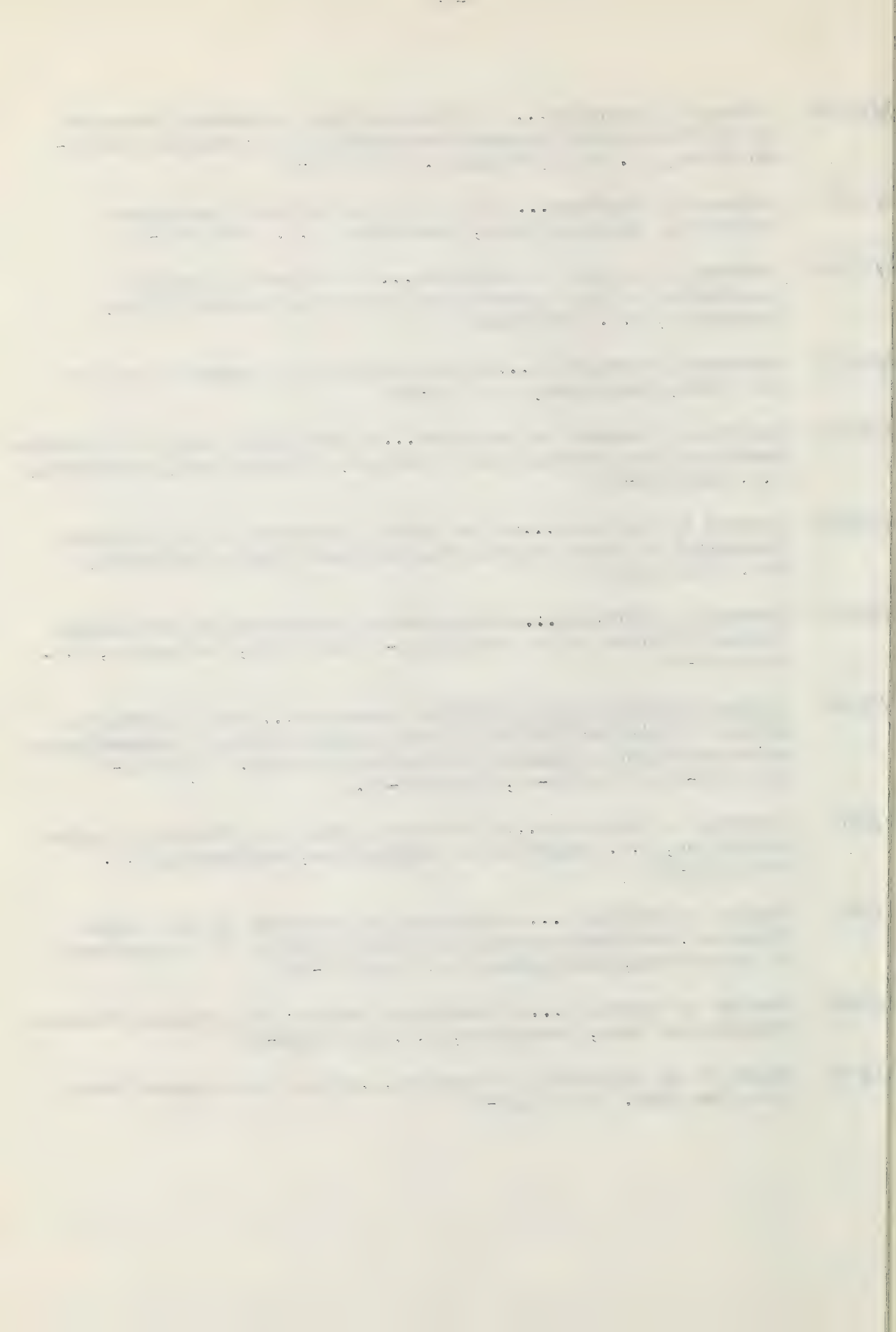
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- 5/5/66 Interview with Secretary. Secretary answered a battery of questions in a far-ranging, hourlong program aired over a special network of four of the nation's leading stations. The program originated from Washington, D.C.
- 5/13/66 Address by Secretary...before the National Press Club, Washington, D.C. USDA 1483-66
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- 6/66 Review of the U.S. Wheat Situation
- 6/9/66 Address by Secretary...at ceremonies honoring Phillip Alampi, New Jersey Secretary of Agriculture, as New Jersey's Outstanding Citizen of the Year. Robert Treat Hotel, Newark, New Jersey. USDA 1728-66



- 6/11/66 Commencement address by Secretary...at Fairleigh Dickinson University, Madison, New Jersey. USDA 1738-66
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- 6/29/66 Address by Secretary...at the annual Spring meeting of the National Association of Farm Broadcasters at the Shoreham Hotel, Washington, D.C. USDA 1984-66
- 7/21/66 Remarks by Secretary...at the Fifth Annual High-Level Meeting of the OECD (Organization for Economic Cooperation and Development) Development Assistance Committee, Washington, D.C. USDA 2265-66
- 7/22/66 Address by Secretary...before the Chamber of Commerce, Columbus, Indiana, at 12:00 p.m. USDA 2266-66
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- 7/23/66 Report and Review Session statement by Secretary...at Columbus, Nebraska, 8:00 p.m. USDA 2281-66
- 7/26/66 State by Secretary...Estimated farm income figures for the first six months of 1966.
- 7/29/66 Address by Secretary...at Animal Industry Day at Virginia Polytechnic Institute, Blacksburg, Virginia. USDA 2370-66





- 8/2/66 Address by Secretary...before the National School Lunch and Food Distribution Conference at the Statler-Hilton Hotel, Washington D.C. 9:30 a.m. EDT.
- 8/4/66 Statement of Secretary...before New York City Council, City Hall, New York, N.Y. USDA 2462-66
- 8/16/66 Address by Secretary...before the National Hadassah Convention at the Sheraton-Boston Hotel, Boston Mass. USDA 2641-66
- 8/24/66 Address by Secretary...at meeting of Alaska Rural Electric Cooperative Inc., Fairbanks, Alaska. USDA 2697-66
- 9/7/66 Remarks of Secretary...at Annual Faculty Dinner marking the 45th anniversary of the U.S. Dept. of Agriculture Graduate School, Dept. of State, Washington, D. C. USDA 2857-66
- 9/8/66 Address by Secretary...at dedication of Texas 1000th watershed project dam, Sister Grove Creek Watershed, McKinney, Texas at 11:45 a.m. USDA 2867-66
- 9/8/66 Address by Secretary...at the High Plains Research Foundation's 10th Annual field day, Halfway Texas, at 5:15 p.m. USDA 2864-66
- 9/14/66 Address by Secretary ...at the First Florida Latin American Agriculture Conference, Carillon Hotel, MiamiBeach, Florida. USDA 2931-66
- 9/26/66 Remarks of Secretary...at annual conference of State Conservationists of the Soil Conservation Service, USDA, at the Annapolis-Manger Hotel, Washington, D.C. USDA 3045-66
- 9/28/66 USDA Food Programs Benefited Millions During Fiscal 1966: Secretary of Agriculture reported today that the U.S. Dept of Agriculture's food aid Programs helped more people in the United States in fiscal year 1966 than the year before. *USDA - 3069-66*
- 10/1/66 Speech by Secretary...to the Executive Committee of the National Anti-Defamation League at the Congress Hotel, Chicago, Illinois. USDA 3114-66
- 10/3/66 Address by Secretary...at the Salute to farm Exports Luncheon, American Royal Exposition Building, Kansas City, Mo. USDA 3119-66



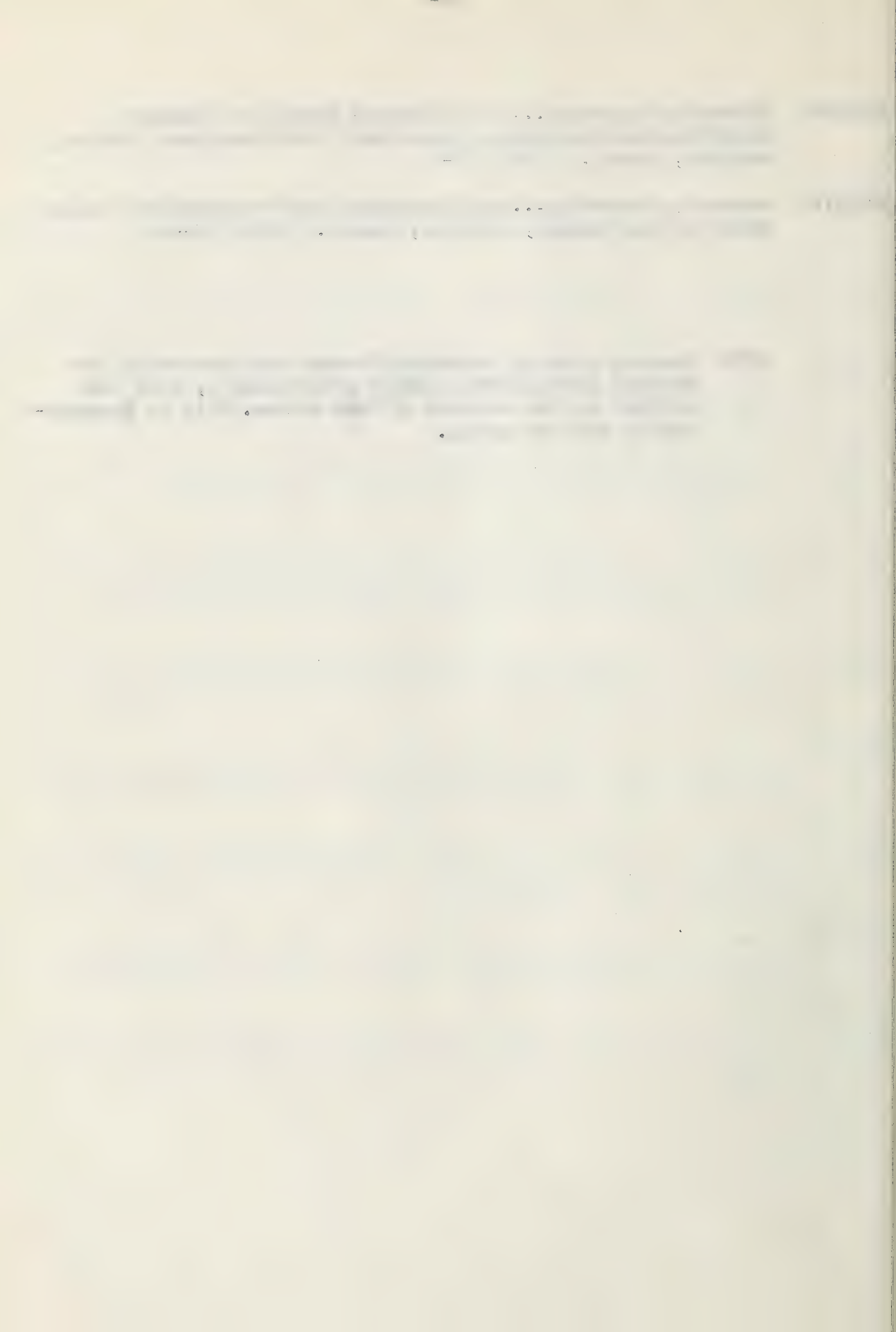


- 10/1/66 Remarks by Secretary...at opening of Co-op Month celebration in Jefferson Auditorium, U.S. Department of Agriculture, Washington, D.C. USDA 3142-66
- 10/7/66 Remarks of Secretary...at meeting of Public Advisory Committee on Soil and Water Conservation U.S. Department of Agriculture, Washington, D.C. USDA 3171-66
- 10/11/66 Address by Secretary...before the National Congress for Recreation and Parks, Washington Hilton Hotel, Washington, D. C. USDA 3213-66
- 10/12/66 Address by Secretary...at the annual convention of the Farm and Industrial Equipment Institute, Miami Beach, Florida. USDA 3233-66
- 10/13/66 Remarks by Secretary...at the 25th Biennial Congress of the Cooperative League of the USDA in St. Paul, Minnesota. USDA 3232-66
- 11/1/66 Address by Secretary...before Better Management Information and Reporting, A National Symposium, National Archives and Records Service, General Services Administration, Washington, D.C. USDA 3456-66
- 11/14/66 Address by Secretary...at the 44th Annual National Agricultural Outlook Conference, Jefferson Memorial Auditorium, USDA, Washington, D.C. USDA 3618-66
- 11/15/66 Statement of Secretary...before the 14th Annual American Association of Nurserymen Industrial Landscaping Awards Luncheon, Statler Hotel Hotel, Washington, D.C. USDA 3660-66
- 11/16/66 Remarks of Secretary...at Federal Extension Service's "Calling Consumers" Open House in the U.S. Department of Agriculture Patio, Washington, D.C. USDA 3667-66
- 11/19/66 Address by Secretary...at Agricultural Banquet, 100th Annual Session of the Natural Grange, Holiday Inn Central, Minneapolis, Minn. USDA 3705-66
- 11/21/66 Address by Secretary...at annual meeting of the Cotton Producers Association, Merriott Motor Hotel, Atlanta, Georgia. USDA 3706-66



- 12/6/66 Address by Secretary...at 86th Annual Meeting of Hawaiian Sugar Planters Association, Agee Hall, HSPA Experiment Station, Honolulu, Hawaii. USDA 3787-66
- 12/12/66 Remarks by Secretary...upon presenting the President's "E" Export award to Dole Company, Honolulu, Hawaii. USDA 3783-66

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87 U. S. Department of Agriculture  
Office of the Secretary

I welcome this chance to share the excitement, pleasure, hope and sense of accomplishment I find here today.

This ceremony marking the beginning of a community water system is an historic occasion for Addison County, Vermont....and for millions of people in rural areas throughout America.

For you it means that the communities of Bridport, Addison and Shoreham will never be the same again.

The energy and resources which once were used to keep "Operation Water Wagon" going now can be directed toward building permanent community assets....toward better living conditions and greater opportunity for economic growth.

Thus, this ceremony has much greater importance than simply to mark the beginning of a community water system built with assistance from the Department of Agriculture.

This occasion is a forum from which rural America can speak to the rest of the Nation -- to the country and city alike -- about the nature of the society we are creating today.

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Address prepared for delivery by Secretary of Agriculture Orville L. Freeman at ceremonies in Bridport, Vermont, to begin the community water system in Addison County, Tuesday, January 4, 1966, 7:00 p.m., EST.

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USDA 12-66

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If this Nation is to continue its advance toward those conditions which will mean a better life for all its citizens, then we say here today that the neglect of rural America must end before the Great Society can begin.

This is no pipedream, nor is it a special plea for the rural American. It is an invitation to the entire nation to grasp the opportunity for a better, more gracious, more abundant and healthful life than we enjoy today.

We are a nation rich in land resources, but our people are being crowded into increasingly ugly cities. There was a time when business, commerce and culture had to exist in close proximity, but that need no longer exists.

Transportation facilities are vastly improved and our communication system makes us all next door neighbors. Much of the routine information essential to modern society is handled by computers which talk to each other. Industry and commerce can function efficiently today when its components are located miles apart.

We have an immense wealth of open skies and beautiful vistas, but we live in cities where the air is becoming so polluted that it is considered a health hazard.

Our water resources are adequate, if we only conserve and use them carefully. But most of the rivers that flow through our cities today have become so befouled that many are threats to human health.

(more)



Over the past 50 years, the rural population has changed very little. Each decade, however, more and more people crowd into urban areas until it seems that we accept crowded city living as the inexorable trend of modern times.

But it need not be so.

In recent months, some agonizing second thoughts have been expressed about this trend.

The movement of people ill-equipped to compete for city jobs and ill-prepared for city life can lead, as we have seen, to frustrations violently and openly expressed.

The water shortages which have struck New York City are indicative not so much of the problems that a drought and shortage create, but of the difficulty which the megalopolis has in providing adequate services for its citizens.

When the commercial, business and cultural life of millions of people can be halted because of a dispute over transportation -- and when the prospect of people driving to work threaten a traffic jam even worse than no transportation at all -- then it is time to consider other alternatives than larger and larger urban complexes.

If these are to be the conditions of city life, then some other choice than being penned up in concrete and steel cages laced with asphalt ribbons must be developed by the American people.

(more)

We have reached the day when, as a matter of National policy, we should work for the dispersion of industry, commerce and people into the rural areas where families can marvel at a sunset unclouded by smog and know that clean water is to be found at other places than a faucet. And we should do this not as a matter of National defense, but as a matter of common sense.

From this forum we say here today that rural America is prepared to give leadership to a new direction away from city living and toward the more gracious satisfying living that can be enjoyed in the countryside.

That is why your action here today is important. A water system, by itself, will not accomplish this miracle. But it is at the same time a step along the way and a symbol of new will and hope in rural America. It is a symbol, not because the Federal or State government provides some help, but because you are taking this means to help yourself.

When this same spirit begins to produce better schools, improved hospital and medical facilities, adequate water and sewage services and a broader range of recreational facilities throughout rural America, then we will have forged a partnership that business and industry can join to make rural America the new community of the 20th Century.

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I assure you this will not be easy. This project you begin today has been realized only after great perseverance on your part, and the determined support of Governor Hoff and your State officials.... and Senator Aiken and those who represent you in Washington.

In fact, it was necessary that the State and Federal government enact new laws.

We have known for years that most rural communities do not have adequate water systems, and that sewage systems and treatment plants were rare. While limited programs have been available for some time to assist communities to build these facilities, they were either inadequate or did not reach areas such as Addison county.

But three years ago, Father Wysolmerski asked a question about the situation here that brought everything into focus.

"Why should mothers have to melt snow to get water to wash the babies' diapers," he asked. "Can you imagine not having any water in the house because there isn't any, unless you buy it and have it delivered?"

Governor Hoff could not and, knowing that the USDA had a program for rural community development, discussed with me the availability of Federal resources to supplement those of the State and local government. At about the same time at one of our periodic breakfast sessions Senator Aiken challenged the USDA to help Addison county people help themselves.

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I could find no answer to Father Wysolmerski's questions, and promised to assign a USDA staff man full-time to the New England area with the special task of working on community development problems, including water, facing rural communities.

Jim Wood, whom many of you know, was sent to Vermont, and opened a USDA field office in Montpelier. He participated in many town meetings here, and with the facts gained from them began to look for ways which would enable Federal services to reach out to help.

The first result was an interest free loan from the Community Facilities Administration for an engineering study to analyze the need and determine the size of an adequate water system and to estimate its cost.

At the same time, Governor Hoff was busy working on the problem of special State legislation to authorize the formation of local water districts which could serve several towns as well as the surrounding farming areas, and which would provide financial assistance from the State resources.

All of these efforts nearly ended in failure, however, for the \$3 million estimated cost of the system was greater than could be managed with local resources or State funds -- and the project could not qualify for existing Federal programs.

It was then that Senator Aiken asked the Congress some questions of his own.

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He said in introducing the legislation which now bears his name that "Probably the greatest handicap to rural development today lies in the fact that thousands of communities with incalculable potential for growth can make no progress because they have no dependable water supply.

"Without water, a community with good land, good industrial sites, good public facilities and good neighbors may stay practically dormant or even moribund.

"What REA has done for our Nation's economy could be multiplied several times over by a rural water supply program."

When he asked the Senate what it proposed to do about the situation, 92 Senators joined him in sponsoring the bill. This, I assume, is consensus Vermont style.

When the bill came to the House of Representatives, Congressman Poage of Texas added a provision authorizing that the grant and loan authority for water systems could also be broadened to include sewage systems.

In this form, the bill was enacted by the Congress to provide authority for the USDA's Farmers Home Administration to extend financial aid up to a maximum of \$4 million to a rural community for the development and improvement of a central water system or waste disposal system. The aid can be in the form of a loan or, as in your project, a combined loan and grant.

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When President Johnson signed this legislation into law after giving it his personal and direct support, he said the program it provides "is long overdue."

It was overdue when I came to the Department of Agriculture five years ago. It was clearly evident then that new concepts of water conservation, development and management had to be found to meet the total needs of rural America. It was clearly evident that old policies and approaches confined narrowly to the use of water for food production and flood protection completely overlooked the water needs of the Nation as a whole, and particularly of rural people and rural communities. The continued neglect of these needs was contributing to the deterioration of rural America as a place of opportunity and growth.

It was all too evident that it was not only crops that withered and died from lack of water -- or that only ponds and lakes dried up and became stagnant -- rural communities, rural economies and rural development did too.

President Johnson and the Administration have given the highest priority to the problem of water -- its conservation, its development and its management. New legislative advances have been made, ranging from the Water Resources Planning Act of last year which encourages river basin planning among the States to broadening the small watershed program so that it serves not only to control floods but to provide water for community and industrial needs, recreation development and wildlife protection.

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At the present time we are giving technical planning assistance to 55 small watershed projects in five New England states which involves some five million acres. These projects will provide vital water resources for industrial and community use, for recreation and wildlife development. We also are assisting farmers in this area to construct more than 600 farm ponds and small reservoirs which will be of immense value to the growth of the dairy and livestock industry.

We have stepped up basic research in the science of hydrology and soil analysis -- not on the traditional agriculture-only basis, but with an eye to acquiring new information useful to rural home builders, industry and to the development of wildlife and recreation areas.

We are learning much more about the prevention of pollution of our streams and rivers. We have found, for example, that nearly 15 percent of the silt which pollutes our waterways today comes from road and highway embankments. By planting grasses and shrubs along the roadway, water is conserved, pollution is reduced and the beauty of our environment is enhanced.

We also are trying to make better use of snow, not only for its recreation value but also to conserve its water potential. Highly accurate techniques have been developed by the USDA's Forest Service to measure and estimate the quantity of water available in the spring from the winter's snow, and we are learning to manage and store water in this fashion more effectively.

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These are only a few of the activities related to water conservation that the USDA carries on. New engineering techniques are being developed to help reduce the construction cost for community water systems so that more rural communities can afford to build them.

Now, with the Aiken-Poage bill, an even greater opportunity is available for the rural community to move forward. This legislation means that the USDA can assist from 800 to 900 communities each year in constructing water and sewage systems.

There are some 30,000 small rural communities in this Nation that are without good running water supplied by a central system. To supply these 30,000 communities with water systems seems like a program of staggering proportions. But we should remember that before we had REA, less than 10 percent of our farms were electrified and after 30 years of the program more than 98 percent are now served by central electric power.

I see no reason why this job cannot be done in less time. And, as Senator Aiken has said, the economic and social benefits that will accrue to rural America in terms of a good life and new economic opportunities will be greater even than that provided by REA.

Installation of community water systems and other basic community facilities generates a whole series of new community activity. New industry and commerce results -- new homes are built -- property values rise and new tax revenues help finance new and improved

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community assets like better schools, clinics and rest homes. Jobs open up and young people stay in the community instead of going off to urban areas to live and work.

As our population continues to grow -- to 250 million by 1980 and to 350 million by the year 2000 -- all these additional people cannot live in our cities. Nor should they.

Instead a place must be found in a rural area for many new millions of people. But if this is to be done, our rural areas must offer parity of opportunity for all who reside there -- equal opportunities of housing, of health, of education, of jobs, and all the social advantages that many people now go to the cities hoping to find. When this is brought about people will flock to the countryside, not the cities.

This new and better rural America that we now prepare to build will give the American people a free and clear choice of where they want to work and live. A rural America without jobs, without decent housing and community facilities, without adequate schools and medical facilities, without recreation, leaves no choice for people but to seek these necessities of a good life in the cities.

A new and better rural America can halt the migration of rural people to the cities, the migration that has created agonizing economic and social problems of explosive proportions. It can help make rural America a place to move to....rather than to move from.

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The building of a new and better rural America for all the people who wish to reside there constitutes the greatest and most exacting domestic challenge of this century.

Congratulations on the progress you of Addison county have made and the example you are setting for others. Now let us get on with the job.

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USDA 12-66

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7 U. S. Department of Agriculture  
Office of the Secretary

This annual conference of the Federal Extension Service staff seeks to define the long range objectives of the Extension Service. I welcome this opportunity to give you some of my thoughts.

There are many ways to define goals. Each agency within the Department of Agriculture has its own special goals -- those related to farm income, consumer protection, marketing, resource conservation, credit, rural power and communications, research -- including science, technology, economics, marketing -- and so on.

But the goal I want to discuss with you today involves all these specific responsibilities as they blend and combine into the effort to revitalize and renew rural America and the rural community -- to make it a prosperous and attractive place to live and work even as it continues to produce an abundance of food and fiber.

Extension Service is renowned the world over for its enormous contribution to American leadership in agriculture. But even as you have gained a lasting place in the history of this Nation's growth and development, a new challenge has arisen which will require the educational, organizational and interpretive skills of the Extension Service. It is to end the neglect of rural America, and in doing so to enable the American people to grasp the opportunity for a better, more gracious, more abundant and healthful life than we enjoy today.

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Address by Secretary of Agriculture Orville L. Freeman at the 1966 Annual Conference of the Federal Extension Service, Departmental Auditorium, Washington, D. C., Wednesday, January 5, 1966, 2:30 p.m., EST.

We are a Nation rich in land resources, but our people are being crowded into increasingly ugly cities. There was a time when business, commerce and culture had to exist in close proximity, but that need no longer exists.

Transportation facilities are vastly improved and our communication system makes us all next door neighbors. Much of the routine information essential to modern society is handled by computers which talk to each other. Industry and commerce can function efficiently today when its components are located miles apart.

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Over the past 50 years, the rural population has changed very little. Each decade, however, more and more people crowd into urban areas until it seems that we accept crowded city living as the inexorable trend of modern times.

But it need not be so.

In recent months, some agonizing second thoughts have been expressed about this trend.

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The movement of people ill-equipped to compete for city jobs and ill-prepared for city life can lead, as we have seen, to frustrations violently and openly expressed.

The water shortages which have struck New York City are indicative not so much of the problems that a drought and shortage create, but of the difficulty which the megalopolis has in providing adequate services for its citizens.

When the commercial, business and cultural life of millions of people can be halted because of a dispute over transportation -- and when the prospect of people driving to work threatens a traffic jam even worse than no transportation at all -- then it is time to consider other alternatives than larger and larger urban complexes.

If these are to be the conditions of city life, then some other choice than being penned up in concrete and steel cages laced with asphalt ribbons must be developed by the American people.

We have reached the day when, as a matter of national policy, we should work for the dispersion of industry, commerce and people into the rural areas where families can marvel at a sunset unclouded by smog and know that clean water is to be found at places other than a faucet. And we should do this not as a matter of national defense, but as a matter of common sense.

Rural America must give leadership to this new direction. If this leadership is to be effective, then Extension Service will play a crucial role.

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It will be a difficult task, for the neglect of rural America has created deep-seated roadblocks to progress.

Today a rural worker earns less for a day's work than an urban worker. Rural people are twice as likely to be unemployed as urban people; and when unemployed they are less likely to be collecting unemployment insurance.

Rural students generally are behind scholastic levels in urban schools, and teachers in rural schools generally are not trained as adequately as urban teachers. Expenditures in rural districts per pupil are below those of urban areas.

Health services in rural areas do not begin to compare with those available in urban areas. As a Nation, we do not have enough doctors, nurses and other medical personnel, and rural areas are hit disproportionately by the shortage.

One out of four rural homes today should be replaced or given major repairs. Over four million rural homes do not have running water, and nearly 30,000 rural communities lack adequate central water systems and sewage disposal facilities.

Poverty is not unique to rural America, for it is a pervasive blight on our whole economy. But, while it is an urban stereotype, its incidence is nearly twice as great in rural America.

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This, in brief, is the nature of the challenge. We are far from closing the opportunity gap in rural America. This gap has been decades in the making -- and currently it continues to widen.

The key reason, but not the only reason, is the relative decline in employment opportunities in rural areas. The more rapidly expanding sectors of the national economy are located in or near urban centers. An acceleration in the pace of the national economy means more jobs -- in urban places.

The number of people -- and the number of jobs -- in rural America has been about the same for years. In most rural counties, especially where farming is the main source of economic activity, the number of people and jobs decline each year.

Thus, while urban areas struggle with problems created by ever increasing population, rural towns and communities struggle with problems associated with depopulation. This basic difference in the nature of the problems facing rural and urban communities must be recognized as we seek to meet the challenge ahead. Thus, the lack of jobs in rural areas results from causes far more deep-seated than those which cause unemployment in urban areas, and this in turn provides an inadequate base for the financial support essential to adequate schools, health services, community facilities and recreational outlets -- all necessary to insure parity of opportunity in rural life.

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In his farm message last year, President Johnson said these conditions "require a national policy for rural America with parity of opportunity as its goal." He assigned the USDA the major responsibility of closing the opportunity gap. We have sought to approach this task on three levels.

First, through the commodity programs -- or the "classic" farm programs -- we have sought to strengthen and improve farm income, recognizing that agriculture will remain one of the basic elements of the rural economy.

In the past five years, net farm income has increased from about \$11.7 billion to over \$14 billion, and the new legislation enacted last year should help maintain farm income levels significantly above those which prevailed in the past decade.

But farm policies are geared to sustain a commercial and productive family farm system which produces the abundance any Nation must possess if its people are to enjoy a high standard of living. Farm policies do not meet the needs of the whole rural community any more than sound labor policy meets the needs of the whole national economy; they do not solve the problems of farmers with inadequate resources or the unemployed and underemployed in rural America.

As a second step, then, we have been orienting the action programs of the USDA toward establishing an environment in rural America which will sustain and support the efforts of rural people to improve living conditions and create a broader range of job and income opportunities.

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The housing program of Farmers Home Administration has been broadened to include all rural residents -- farm and non-farm alike -- and the volume of housing loans has sharply increased.

The nearly dormant community water system loan program has been reinvigorated. Five years ago, the Department made 15 loans to rural communities for \$710,000. Last year 714 communities received water system loans for over \$100 million. The Congress this year enlarged the scope of the program, increasing the maximum size of the loan and included authority for grants. Authority for sewage treatment facilities was added to the program, and the minimum community size was increased from 2,500 to 5,500.

Provision of power and communications in rural areas has been strengthened. Rural electric power cooperatives are being helped to increase their power capacity and coverage, and rural telephone systems are being assisted to modernize equipment and improve services.

Conservation efforts related to soil and water have been broadened from primarily agricultural and flood control purposes to encourage greater use of these resources for community and industrial needs, recreation and wildlife development. In addition, two pilot programs -- Rural Renewal and Resource Conservation and Development -- have been started to encourage resource development for the rural community on an area basis.

New industry and improved recreation facilities can be built on this base.

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But it is clear that all of these programs -- as varied as they are -- primarily improve the physical environment in which rural people live and work. Providing adequate housing to improve living conditions brings new employment, but only for a time. Developing adequate water and sewage facilities improves the community, but hooking these services to the school does not improve the quality of education.

Closing the opportunity gap in jobs, education, social services and all the other elements of modern community life requires the full range of services and resources within the Federal government. Recognizing this, President Johnson gave the USDA the task of insuring that all Federal programs reach equitably into rural America -- that they do not stop at the city line.

As a third step, then, we have been developing this "outreach" function primarily with other Departments and agencies of Government to improve the education, social, health and job development prospects in rural communities.

To coordinate these efforts, I have established a Rural Community Development Service as a staff arm of the Secretary of Agriculture. Its function is to pull together and expedite all of the varied aspects of this "outreach" function as it relates to the broad goal of closing the opportunity gap in rural America. It has no operating responsibilities, but will be organizing and coordinating to assure that USDA facilities are mobilized to fully use all Federal resources, including those outside the Department of Agriculture, in rural areas.

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Here in Washington, the RCDS is working with outside Departments and agencies to help them reach out into rural areas with their services. Once an "outreach" effort has been developed by RCDS, it also prepares instructions for carrying out these projects when they are assigned to an operating agency of the USDA.

State RCDS directors are now being assigned to the individual States. These men will carry out the staff coordinating function of RCDS at the State level, serving as full-time staff directors of the State Technical Action Panels. In this position, the director can maintain liaison with other Departments and independent agencies outside the USDA as we provide "outreach" services for them. This liaison function should be particularly useful and valuable to State and County Extension personnel as they serve the needs of people locally.

We have begun with HEW, for example, a number of "outreach" efforts designed to improve educational and health services in rural areas. They include a pilot program to focus concerted educational and vocational training services in three areas to determine how well the new educational and vocational training programs can be adapted to rural needs and how effective they are in upgrading educational levels and skills.

A nationwide effort has been launched to reach older rural Americans with facts and information about medicare and health insurance, one step toward upgrading health services in rural America.

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Currently, we are developing an "outreach" approach with HEW to help schools in low income areas which do not have school lunch facilities to acquire them.

We are also working on industrial development loans in rural communities under a program administered by the Economic Development Administration in the Department of Commerce. We have developed working relations with other agencies administering community facility programs for water and sewage systems to extend features of these programs more effectively in rural America.

As these "outreach" efforts have been developed, many of the State Extension Services have stepped forward with help and encouragement to play a vital educational and organizational role at the county and community level. Many of the State Extension Services gave critical operational support last summer to the Head Start program in over 1,000 rural counties, including 182 with very low income levels. Similar examples of Extension support can be cited in connection with the VISTA program, the Youth corps and College work-study program.

In observing the work Extension Service already is performing in these "outreach" efforts, I know that some confusion may have arisen as to the respective roles of RCDS and Extension.

RCDS, as I have described, is a staff arm of the Secretary with no program or operating responsibilities. It performs a kind of stimulating, obstacle busting, cajoling, gadfly function to activate

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public and private forces in the local community, as well as those who administer Federal programs; and, in the process, to bring all these elements together to develop and carry out community programs.

Extension Service will continue to perform the mission it has carried out for more than half a century -- to educate, motivate and organize individual and community action. In addition, it will continue to take prime responsibility for "outreach" efforts in those instances where the structure of Extension Service and local leadership will enable it to do the best job.

RCDS will be working on other "outreach" efforts in the days ahead, and Extension Service will play an increasingly important role in bringing all available services to rural America. There should be no place where the work of RCDS and Extension overlap. There is no area of competition. Rather, each must complement and supplement the work of the other. The challenge of bringing parity of opportunity to rural America will be met only through effective cooperation. Our resources are limited. They must all be effectively used.

There is no doubt in my mind that Extension Service can be a catalyst to make parity of opportunity a reality everywhere in the countryside. All of the programs designed to support and encourage rural community development will be of little value unless the community and the people who live there are aware of the resources which are available....and want to use them....and organize to use them. This you have the experience, resources and knowhow to do.

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In some States, Extension activity to this end is progressing at a rapid -- and welcome -- pace. West Virginia, for example, has made a major effort to shift the emphasis of Extension activities from agricultural to community development work. The establishment of the Center for Appalachian Studies and Development, with the Cooperative Extension Service as the major program area, symbolizes the extent to which they have changed emphasis.

Missouri has been one of the leaders in formulating new approaches to community development, as has Iowa, New York and Arkansas.

The fact that these and other States are beginning to focus hard on the great challenge facing rural America highlights the main problem confronting the Extension Service: The needs of people are the same everywhere. The degree to which these needs are being met is not the same everywhere.

The particular local situation -- the resources, the economic pressures and opportunities, the statutes and the cultural patterns -- all vary greatly. Yet the degree to which Federal, State and local Governments serve the needs of people ought to be the same everywhere. We must work to fully meet these needs, recognizing that what is done -- and the way it is done -- must be geared to the local situation. But, at the same time, let us be clear that local differences are not an excuse for non-action.

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Where Extension Service lags behind in meeting the new challenge, I urge you to action so no segment of rural America will be "short changed" because you failed to adjust your programs. I am perfectly aware that Extension Service, because of its structure, has some special problems to overcome in making such program adjustments. But I also know from my own experience in local and State Government that determined, tough-minded leadership applied with practical common sense can overcome impediments to progress.

Until Extension Service nationwide meets the needs of this new day everywhere in this great land, it will not be carrying out its mission as set down over a half century ago.

I have no doubt that you will meet this challenge fully in the days ahead. Let us now get on with the job.

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We live in an age of revolution.

We have long enjoyed the benefits of the abundance revolution in agriculture, for no person in this country today need go hungry.

The scientific and technological revolution enables man to walk in space today ... and consider walking on the surface of the moon tomorrow.

Electronic computers in dust free, humidity-controlled, air conditioned rooms have launched the cybernetic revolution ... and these machines now produce other machines, operate factories, regulate traffic, improve access to man's vast storehouse of information, write payrolls and talk with other computers doing the same thing.

And here tonight we are witnessing the beginning of another revolution -- the conservation revolution ...

... At least, a revolution in the concept of conservation.

A decade ago, the National Wildlife Federation might have given an award to the individual who did the most to preserve and protect wildlife.

But tonight the National Wildlife Federation concludes its first annual awards program with an emphasis on unity of purpose in conservation making awards for wildlife, soil, water and forest conservation.

Address by Secretary of Agriculture Orville L. Freeman prepared for delivery to the First Annual President's Conservation Awards Banquet sponsored by the National Wildlife Federation and the Sears Foundation at 7:00 p.m. (CST) Tuesday, January 11, 1966, at the Statler Hilton Hotel, Washington, D.C.



Awards in six other categories of individual achievement in conservation, together with the four "at-large" national awards dramatize the diversity of conservation activities -- and the unifying purpose of guarding our renewable resources so they are available in undiminished supply to serve many uses today and tomorrow -- and for all time to come.

It is an eloquent response to the plea which President Johnson made a year ago. In his message on Natural Beauty, he said:

"Our conservation must be not just the classic conservation of protection and development, but a creative conservation of restoration and innovation. Its concern is not with nature alone, but with the total relation between man and the world around him. Its object is not just man's welfare but the dignity of man's spirit."

This is a wise and perceptive statement. I will attempt tonight to interpret and apply it as broadly and meaningfully as the President intended. The point I want to make is that when true conservation principles are put in operation we will cease to crowd ourselves into vast cities, and more and more Americans will return to the countryside to live and work. When that takes place America will be a better nation.

There is today great ferment among conservation groups; ferment caused not by competition, but rather by a new vision of what cooperation can accomplish ... and the disaster which can befall this great Nation in its absence.

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A decade ago, the Secretary of Agriculture and the Secretary of Interior would not have traveled 3,000 miles across country to sit down together with local people to discuss future development plans for land, water, timber and wildlife resources in the area surrounding the community. But that is what Secretary Udall and I did last week.

A decade ago, a newspaper in North Dakota would not have written that "By far the largest operation in creating and restoring (wildlife) habitat on privately owned lands has been conducted through the agricultural conservation program administered by the (USDA's) Agricultural Stabilization and Conservation Service."

But today, ASCS the farmers commodity program arm is spending much of its time working with USDA's Soil Conservation Service, local soil and water conservation districts, and with State game and fish agencies to help private land-owners including the use of incentive payments to produce wildlife along with farm crops on their acres.

A decade ago, the advice of wildlife groups would not have been sought in establishing management programs and policies on land moving to other uses than crop production -- nor would local communities and counties be encouraged and helped to convert cropland into much needed parks and recreation facilities.

But today, through the recently enacted Cropland Adjustment Program, that is happening. We are assisting farmers to convert as much as 40 million acres of cropland to uses which will provide the Nation new access to the outdoors.

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It is appropriate that I take this important occasion to announce appointments to a wildlife advisory board which will counsel the Department as we develop procedures under the Food and Agriculture Act of 1965 to improve wildlife. The Bureau of Outdoor Recreation is working closely with the USDA to assist local communities and county Governments to acquire land under this program for recreational development.

A decade ago, Soil Conservation Service would not have joined with Interior's Fish and Wildlife Bureau to strengthen management and prevent policy conflicts within PL 566 small watershed projects. But this kind of cooperation is almost routine today not only for wildlife protection but also for recreation and for water for industrial and community uses -- all conservation goals now financed by the small watershed program. Community organizations seeking to expand uses for renewable resources are being encouraged to participate in sponsoring and planning watershed projects.

A decade ago, the Departments of Health, Education and Welfare, Interior, Defense and Agriculture did not review together the use of pesticides on public lands so wildlife would be preserved while other resources are being protected. But we are doing this today; and the USDA has stepped up its research activities to develop non-chemical means as well as safer chemicals to control pests and plant diseases. DHEW, Interior, and the USDA also have begun a broad cooperative research program to determine and gauge the effects of pesticide use on human health, animal life and on soil and water to obtain vital information lacking today.

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Two decades ago, there was widespread concern that the Potomac, as with other major rivers of the United States, was becoming increasingly polluted and someday would be little more than an open sewer -- inhospitable to fish and wildlife and too dangerous for recreation. For 20 years too little has been done, and our worst fears have been realized.

But now a comprehensive Potomac river basin plan has been prepared under the guidance of Secretary Udall, at the direction of President Johnson, which will employ the resources and skills of many State and Federal agencies. This plan, which can serve as a model for other regions to follow under the River Basin Planning Act, can help to not only clean up the Potomac but also provide unparalleled wildlife and recreation opportunities in upstream areas and in nearby portions of National Forests lands.

Five years ago, when smaller communities throughout the American countryside faced serious water shortages or growing pollution problems, there was not much community leaders could do.

Plagued with declining population and an inadequate tax base, these communities usually found that credit resources to finance basic community improvements were not available. Today, the Congress has greatly enlarged the program of the USDA to assist these communities to establish and improve water systems and sewage treatment facilities.

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A decade ago, the need to develop many more outdoor recreation opportunities concerned only a few people -- among them, I hope you will pardon my mentioning, was a new Governor of Minnesota named Orville Freeman. Yet anyone who took time to study the rapidly increasing recreation uses of parks and forests -- State and National -- could see what was coming.

In the last ten years, the States have greatly increased their investment and in recent years the Federal government has acted on a wide front to enlarge the capacity of land, timber and water resources in the public domain to provide outdoor recreation. A massive survey of outdoor recreation needs has been completed, and a Bureau of Outdoor Recreation has been established in the Department of Interior.

The Congress recently created a number of National Recreation Areas and in 1964 passed the Wilderness Preservation Act giving permanent wilderness status to 9.5 million acres of primeval America -- including almost two million acres it has been my privilege and pleasure to move into that category by executive order of the Secretary of Agriculture.

Interior through the National Parks and the USDA through the National Forests have greatly enlarged the recreation potential of public lands. Today the USDA can provide financial assistance to farmers who wish to develop recreation as an income producing "crop" to supplement their "farm" income.

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Thus, in recent years dramatic progress has taken place in conservation policies and programs. It is marked by new emphasis on a unified approach and a new spirit of cooperation among groups and agencies, private and public alike, concerned with the Nation's renewable resources -- and by an emphasis on wise and effective use, with greater concern for the needs of individual resource users.

Thus, a society which began soil and water conservation programs primarily as a means of protecting these resources for agricultural uses by those who owned the land now finds that the same principles and techniques must be applied to a vastly wider canvass of problems and needs.

Agriculture alone cannot support a vital and growing rural community that wishes to offer its young people an equally wide range of job and income opportunities, public services and cultural and recreational outlets as they can find in metropolitan areas. And the urban areas, reaching out to consume land and water in prodigious quantity, are finding that they must mend their ways for they have misused and wasted land and water to the point where life in the megalopolis increasingly is becoming more costly, complicated and less satisfactory.

It is crystal clear that as a Nation we have to make a given quantity of land, water, timber and wildlife resources serve more than one purpose at the same time. Multiple use on private as well as public land will become an ever increasing necessity of life.

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As a conservationist, I have always believed in this basic concept. As a public servant concerned with the kind of a society we build for ourselves and for our children, I know that we must practice it as a matter of common sense ... as a matter of conserving the values of a free society.

Within the time span of one generation -- within the next 35 years, the population of the United States likely will grow by another 100 million persons. We already are having a difficult time making the renewable resources we possess in great abundance serve the needs of 200 million Americans. What are we going to do when the demands of another 100 million people are placed on the same quantity of renewable resources?

This is the challenge that confronts the true conservationist today.

And I do not believe we will meet that challenge unless we begin now as a matter of National policy to spread out -- to create and maintain greater opportunity for more people to live good lives where open space exists -- rather than bunching up in our great cities.

I am not suggesting that we abandon the city and dismantle it. The great cities of America will continue to grow.

But I am suggesting that we should begin now to create other alternatives than megalopolis as a place to live. To crowd another

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100 million bodies into the large metropolitan complexes is not wise. Our cities today face critical problems in trying to maintain a decent environment for those already there -- let alone absorb another 100 million bodies.

The water shortages which struck New York City are more serious than those which a drought and shortage create. They are indicative of the difficulty which the megalopolis has in providing adequate services for its citizens.

In the recent power failure which struck the Northeast, the smaller communities were able to restore power much sooner than in New York City.

Smog -- air pollution -- no longer is the exclusive possession of Los Angeles, nor is air pollution any longer associated exclusively with heavy industrial concentrations. It is a blight which appears today wherever people crowd together. Washington, D. C., has very little industry, but there are days when smog mars the sunset over the Potomac.

When the commercial, business and cultural life of millions of people can be halted because of a dispute over transportation -- and when the prospect of people driving to work threaten a traffic jam even worse than no transportation at all -- then it is time to consider other alternatives than larger and larger urban complexes.

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These conditions destroy the beauty and charm of the city; they erode the quality of life and the joy of living. And they are getting worse, not better.

We must, as President Johnson has said, practice creative conservation. We must not only restore what has been corrupted, but also innovate new techniques in the use of our renewable resources which will protect man's welfare and raise his spirit.

We must employ conservation to develop in rural America those conditions which will enable many more people than today to enjoy a better, more gracious, more abundant and healthful life. We must end the neglect of rural America.

As a place to live, rural America has great assets:

It has a growing number of adequate family farms -- and a farming economy which will provide food and fiber abundance and contribute increasingly to a stable economic base for the local community.

It has space -- for new industry, for new homes and for outdoor recreation. It has water -- for communities and industry, for agriculture, for wildlife and for recreation. The programs which are becoming increasingly available at State and Federal levels can help insure the wise development and use of these resources.

And rural America has the time to make certain that the development and use of these resources is planned to create the maximum opportunity for a good life for millions of people.

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Conservation alone -- planning the wise use of our renewable resources -- will not automatically create the broad range of job and income opportunities and related services and cultural and recreational activities which rural America must offer, but without conservation the conditions which will make for a brighter more meaningful life for millions more Americans in the Countryside U.S.A. will not be possible.

Conservationists -- regardless of their special interests -- can provide critical leadership in the restless quest for a better way to live.

I would close tonight with a little verse that frequently races through my mind:

"Bring me men to match my mountains,  
Bring me men to match my plains,  
Men with empires in their purpose,  
And new eras in their brains."

Thank you and goodnight.

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Events in agriculture at home and abroad today provide new emphasis to the vital role of food and fiber policy in our economy. It is highly appropriate that this Commission begins its work at this crucial time.

The family farmer in America has just completed a record production year, and the best year for net income since the early 1950's.

The cost of food, in relation to consumer income, is the lowest ever; and more Americans today have access to our food abundance than ever before.

The Congress has just enacted a long-range farm program which provides the farmer with greater flexibility in the operation of his farm, and which will greatly expand the markets for his products.

The surpluses which plagued the American economy in 1960 have been sharply reduced, and there is greater public awareness today of the critical importance of a strong and flexible agriculture and of adequate reserves of food stocks.

The Congress this year is expected to review the Food for Peace program, and to explore the future direction of this unique expression of American compassion and competence.

These observations describe American agriculture as it is today. But agriculture is not a static thing, for the conditions today

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Statement by Secretary of Agriculture Orville L. Freeman at Swearing In Ceremonies for the National Commission on Food and Fiber, Room 1143 Lafayette Building, Washington, D.C., January 11, 1966, 2:30 p.m., EST.

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reflect the forces of change and the responses which have been made to these forces.

The conditions which exist in agriculture today are not the same as those which will exist tomorrow. The productive capacity of the American farm will continue to grow, the food and fiber needs of the American people will continue to change, and the role of agriculture in the world community will change too.

Five years ago, the problems of American agriculture were those of immediate crisis; today, we have a little time.

This Commission has been asked by the President to use this time to explore "new ways ... to keep agriculture and agricultural policy up to date; to construct a thorough and searching study of the effects of our agricultural policies on the performance of our economy and on our foreign relations."

As Secretary of Agriculture, I welcome your determination to contribute to the search for new policies and programs, and I pledge to you all the resources I have at my command.

You start at the time of a turning point in American agriculture, and you can do much to determine the rate and direction of our progress.

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Twelve seconds is a stretch of time running only from here ...

... to here.

In that fifth of a minute there was a net population gain in the United States of one person. Multiply by five ... multiply by 60 ... multiply by 24 and by 365 -- between this January 12 and January 12, 1967, our population will increase by well over 2 million 600 thousand.

That's twice the number of people now living in North and South Dakota.

All these babies will be born into the land of the free -- unless ...

unless, as the new mayor of an old city recently wrote, they are born into -- or moved into -- a geographical unit of the society called Big City.

More and more, Mayor John V. Lindsay of New York City editorialized in the Saturday Review of January 8, the price of city living is being paid by a sacrifice of fundamental personal freedoms -- and he listed among the freedom sacrifices these:

Address by Secretary of Agriculture Orville L. Freeman at 1966 Nobel Conference on The Control of Environment, Gustavus Adolphus College, St. Peter, Minnesota, Wednesday, January 12, 1966, 10:00 a.m., CST.

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Freedom to send children to school with the knowledge that classrooms will be bright and clean, the teachers skilled, the instruction challenging.

Freedom to find a job or join a union without being frustrated by racial or religious discrimination.

Freedom to move about the city with reasonable speed and convenience on a public transportation system.

Freedom to breath the air and use the waterways with equanimity.

Freedom to use the sidewalks and parks at night without fear; and,

Freedom to rent an apartment or buy a house at reasonable cost.

Mayor Lindsay and the people of New York, Mayor Daley and the people of Chicago, and the mayors and the people of Los Angeles, Detroit, Philadelphia and all the other great cities are aggressively seeking to create -- and control -- an environment in which all the personal freedoms are available to all men and women and children.

Yet, the likelihood is they can run harder and stand still -- or even fall back -- unless their population pressures are eased.

If the present trend in the placement of our people continues, there will be just as many of us in 216 cities by 1985 as there were in the entire nation in 1960 ... enough more people in cities to stack five more New Yorks on the present New York, 27 more Washingtons on the present Washington.

(more)



An increasingly-uncontrolled environment will mean more people bunched in great cities, with even more social and economic ghettos than today ... more urban sprawl on the edges of cities created by those who can run away from the center -- but not very far ... more smog in the air and more filth in the water ... more impatient traffic inching along more congested streets ... more demands against less incentive for response.

Do we really want to multiply such uncontrolled environment five times, or twenty-seven times, or even by 1-point-1?

Of course not.

There is, of course, no simple or single way to ease the rapidly-rising pressures on the cities and the resulting social, economic, intellectual and cultural hazards that inevitably go beyond the city limits to afflict the whole of our society.

But let me suggest one -- a way that can make a valuable contribution to the future well-being of our nation:

Creating, and maintaining, more opportunities for more people to live good lives where the space is.

The space is in rural America.

Let me quickly emphasize that:

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1. I am not suggesting the dismantling of the cities. They will continue to grow -- rightfully so.
2. I am not proposing a back-to-the-farm movement. The technological revolution in agriculture is still in progress, and we'll continue to produce more food and fiber with fewer farms and farmers. Farming is not a good way of life unless it is also a good way to make a living.
3. I am not implying that while Harlem, and even Park Avenue, may not be exactly comparable to heaven, all rural America is -- because in parts of America the same sacrifice of personal freedoms Mayor Lindsay lists as the price of city life are paid by rural people.
4. I am not recommending that the mobility of human beings become a computer decision rather than an individual and family determination.

What I am suggesting for your consideration -- and the consideration of all our fellow Americans -- is that we, the people, take better charge of the environment ... control it, if you please ... in a way that creates a more reasonable and responsible national distribution of productive and creative enterprises and utilization of workers.

If we do this -- if we adjust our environment so that a greater share of our population can live on the countryside -- we increase the prospects for a better, happier nation.

It requires change. However, when I came to this 1966 Nobel Conference it was with the belief the Conference is concerned with the exploration of what can be rather than the restoration of what was. Nothing has happened since I arrived on the campus to change that belief, so I'll stick with it.

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I would commend the Conference leadership for its boldness in the wording of the theme: The Control of the Environment.

Not all the words in our language identified as bad words have four letters. There's one with seven that all too frequently is used to inspire shock or fear ... it is: C o n t r o l. It appears in doom and gloom speeches and writings, usually those discussing Federal government actions, and is invariably described as something leading to no good.

The dictionary is less restrictive. It lists Control as a verb, and a noun. It offers a variety of definitions. I prefer to have my comments on environmental control reflect the light of two of those definitions.

1. Control is the exercise of directing influence.
2. Control is effective and reliable skill in the use of a tool, instrument, technique or artistic medium.

Our nation has tools, instruments, techniques. We are skilled, intelligent, and rich. We are free to accept or reject motivations... free to move or stand still. Consequently, we are better equipped than any other peoples in all the history of civilization to exercise the direction of influence on the shape and the quality of the environment we shall know in 1976 and 1986 ... and today's babies shall know in the year 2000.

Our nation is not unfamiliar with the control of environment. I've been intimately associated with one phase of environmental control through the five years I've been away from Minnesota.

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A long time ago a philosopher-economist named Malthus said population would always multiply more rapidly than food output, and consequently cycles of famine would remain an inevitable part of man's environment.

Yet, in these United States, as our population rapidly climbed, we have created a continuing environment of food abundance. Control, in terms of directing influence, has had a major part in bringing about this era of abundance. The increased productivity of the cropland, its protection from wind and water erosion, and rising farm income accompanied by lower food costs didn't just happen.

A combination of private and public enterprise, planning, education, purpose and investments brought us into our own era of food and fiber abundance and equipped us to put experience and knowledge and food into the task of stimulating agricultural productivity around the world.

Across most of rural America in this century we've done a whale of a job with the environment for food and fiber production. But, at the same time, we have turned in a poor performance with the environment for people.

While rural America was steadily increasing its exports of meat and milk and eggs, vegetables and fruits and grain, it was also steadily increasing its exports of people --

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of high school and college graduates ...

of workers pushed aside by the technological revolution on farms and in mines, not equipped by education or training to do different or new jobs well in strange places ...

and of those not equipped with the right skin color to get equal treatment where they were born, or where they traveled.

So they moved steadily to the cities -- the bright, able youngsters who were able to assume constructive roles ... the poorly-equipped, and the victims of discrimination. Most of the latter were able only to find a place among the city's problems.

Rural America really couldn't afford to export its trained and educated youth, and urban America couldn't really afford to accept the others.

Neither had alternatives.

And like the countryside and the city, neither did the people have any real alternatives -- neither the educated young people nor their poorly-trained counterparts.

Only if we raise the quality of life on the countryside can this forced migration be brought to a halt. Therefore, it is imperative that we take control of the environment, now, so that alternatives do exist. It is imperative that we add to the limited mobility that now

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handicaps too many individuals and families the advantage of a two-lane highway connecting rural and urban America -- with adequate opportunities at both ends of the road.

When meaningful alternatives give Americans real freedom of choice, I am confident the population movement from country to city will level off, and even go into reverse.

Millions of people will choose to live and work in an environment of spaciousness and freshness ... where the breezes do not have to fight their way around barriers of steel and concrete ... where the skyline is marked by trees as well as roofs ... where lakes and streams and great grassed areas are a part of daily life instead of a Sunday trip objective.

Failure to use space for the advancement of decency and dignity in family living constitutes rejection of a truly great blessing. Using it will enrich freedom, happiness, and the spiritual, cultural and political strength of the entire nation.

Describing the United States of America -- its problems, its performance, its potentials -- is difficult. Planning the control of its environment, directing influence into channels of greatest promise, is not an easy procedure.

We are a complex and varied society in which affluence and poverty, success and failure, neatness and disorder, knowledge and ignorance, strife and gentleness, acceptance and rejection are frequently -- in the physical sense -- close neighbors.

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Population density is not, in itself, the primary controlling factor in the quality of environment. The human population densities of Harlem and of the Park Avenue section of New York City are about the same. But the rat and insect populations are not the same, and the environmental controls related to health, education, delinquency and crime are not the same.

In a single county in Minnesota, or Mississippi, there are adequate farms returning their families gross incomes of 10-20-30-40 thousand dollars a year ... and farms with product sales ranging far below 10 thousand a year. The housing, the utilization of services, the educational and cultural opportunities vary widely.

A dynamic, growing rural town of 3 to 5 thousand people with updated schools and health and utility services along with new homes and business houses can exist less than 50 miles from a town of the same population that is inadequate in everything and headed nowhere but down.

If we are to control the environment in a way that serves the total well-being, those individuals and communities which have the best or are becoming better must become involved -- intellectually and emotionally, socially and politically -- in sharing or developing resources with those requiring an expansion of their opportunity base.

This does not demand uniformity, conformity, regimentation or big-brotherism -- it does not require that every tree be the same -- it only opens the way for improving the quality of the entire forest.

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What, then, does rural America have to contribute to a more constructive control of the national environment other than space?

A great deal.

It has growing numbers of adequate family farms -- and these farms are a guarantee of continuing food and fiber abundance. They are not only growing in numbers, but in economic strength and viability. They can, and do, support farm families at decent and dignified standards. They constitute a solid and continuing economic base for rural communities in the days ahead as consumers of town and city goods and services.

Rural America has room for outdoor recreation -- not only for its own people, but for city neighbors. It has trees and grass, and freshly-developed lakes and reservoirs. We are only now beginning to realize the economic implications of the skyrocketing demand for outdoor recreation.

Rural America has some of the nation's finest educational institutions in land grant and other public and privately-supported universities and colleges ... it has writers and artists ... teachers and preachers ... and philosophers outside as well as in the barnyards.

It has time, and space, in which to plan the type of environment in which its growth should unfold, physically and socially.

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But -- just as New York City has the Metropolitan Opera and Skid Row, rural America has two faces.

Last year, when he signed the Food and Agriculture Act of 1965, President Johnson made it clear that putting agriculture on a sound and stable basis is only half the battle in rural America. The President has consistently emphasized that new programs designed to channel Federal resources into the improvement of the quality of American life must be available on the countryside as well as in the cities -- and he has established administrative and informational procedures for the achievement of that objective.

The other face of rural America is this:

Today a rural worker earns much less for a day's work than an urban worker of similar skills. Unemployment rates are higher in the country than in the city.

Rural America has not kept pace with the cities in elementary and secondary education -- not because of a disparity in the abilities of children, but because both physical facilities and teacher quality too often were allowed to fall behind city standards.

Health services suffer from a lack of facilities and doctors. Over four million rural homes do not have running water, one out of four of them should be replaced or repaired, and nearly 30,000 rural communities lack adequate central water systems and sewage disposal plants. Cultural opportunities are too often sharply limited.

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Rural America, with only a third of the nation's population, is home for half of its poverty.

Even with these handicaps rural America, as a place for people to live, has more assets than liabilities. And these assets will be steadily boosted, the handicaps quickly overcome, if new job opportunities are developed there ... transferred there ... or provided through relocation of expansions undertaken by industrial and business firms now in already-overcrowded areas.

An increasing combination of local, State and Federal resources is beginning to change the second face -- the underdeveloped face -- of rural America. Public and private lands, forests, lakes, and wildlife areas are being moved into the multiple uses of production, recreation, and restoration and maintenance of natural beauty. National policies for the upgrading of education, health services and travel are being implemented by local leaders at an encouraging pace. Parity of opportunity is becoming a visible fact of life in many, many rural communities.

Individuals, and communities, can use the resources created through their government to improve their capabilities for creating and attracting new job opportunities and the related business, service and professional opportunities.

But no agency at any level of government can tell General Motors or U. S. Steel or any other manufacturer or processor to put a plant in Red Wing or Lake City or anywhere else.

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The Small Business Administration can make a loan to a rural inventor to launch a factory in his home town -- but inventors cannot be invented in a government laboratory and their development and faith depend upon encouragement from family and neighbors, not from the Congress.

Full utilization of rural resources for better living for more families depends importantly upon how well community leadership communicates its advantages and potentials to existing or emerging private industry, either directly or through regional and state development agencies.

The ~~era~~ era of food abundance couldn't have come about in our time without a combination of government resources with those of farmers in moving research from laboratory to farms, education from classroom to feedlots and fields, and in establishing sound programs for land use and supply management and pricing. But added to this we had to have the contributions of the food processing, storage, transportation and sales sectors of private industry.

It is the abundance in the stores and in their own refrigerators and storage cabinets that gives our people health and energy -- abundant food production is meaningless unless it is effectively processed and transported so that the pipelines leading from farm to kitchen are always filled.

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Rural America has an effective working partnership with the food industry. It needs a similar partnership with the non-farm, non-food sectors of business and industry.

The leadership of the nation's business-industrial-banking complex can -- in cooperation with rural community leadership -- play the climatic role in more fully utilizing rural America's resources as a part of a more reasonable and responsible control of the national environment.

When you say it, or listen to it, even the simple process of more effectively using space for people -- just one step in the improvement of the environment in cities and on the countryside -- seems complex and almost overly-challenging.

But it is happening.

It is happening, for example, in Iowa -- one of our major agricultural States. Some Iowa officials believe the stopping point has been reached in the out-migration of the State's population. The unemployment rate among urban workers in Iowa is less than 2 percent, and in many sections of the State there is growing competition for available rural workers. Recently, in a county seat town, an existing factory postponed expansion in order to give a new industry coming to town first choice of available labor.

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The faith of Iowans in their own development future was demonstrated during the Christmas holidays, when the Cedar Rapids Chamber of Commerce staged "Operation Native Son." College seniors from throughout Iowa, regardless of residence, were invited to Cedar Rapids to learn of the opportunities available to them in Iowa following graduation.

Rural America has an able missionary on the city business and industrial front in W. B. Murphy, President of the Campbell Soup Company and Chairman of the National Business Advisory Council. Mr. Murphy speaks out at every opportunity on the theme that manufacturers can do themselves a favor -- and our country a service -- by allocating a fair share of new plants to rural areas.

Rural Iowa is not the only part of rural America now experiencing the pleasure of pain -- growing pain. And I am confident that in the days ahead the able, articulate and persuasive W. B. Murphy will have more and more business associates helping to plant the seeds of rural development among the city-based leaders of business and industry.

We cannot, in a free society, do with people what we will. We can, however, do with and for one another what we have the will to do if what we seek is a purposeful objective with general welfare value.

Making rural America a better place for more Americans to live productive, rewarding lives answers both requirements.

Let us, then, purposefully use our free institutions and our democratic processes to so shape our environment that the opportunities and values of country living will be fully utilized in making this a better America.



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U. S. Department of Agriculture  
Office of the Secretary

It has been a long time since an annual meeting of the National Council of Farmer Cooperatives was held in Washington.

I find it good to have you back again.

And you chose a good week for your 37th meeting. There is no better time to be in Washington than when a new session of the Congress is getting into full swing...

the administrative agencies of your government are launching a new year of activities --

and the natives aren't suffering the frustrations that always accompany Washington's football and baseball seasons.

Outside the field of government, an average year in Washington consists of three hunting seasons:

In the summer we hunt for a baseball player who can hit .300.... in the fall we hunt for a football coach who can please all the fans all the time....and in the winter we hunt for a parking place. We hold the national record for consistency as three-time losers.

Your week, I know, has not been devoted to the minor problems of a city but to the future of Farmer-Cooperatives and the people and the Nation they serve.

I am pleased to have a little part in such a program.

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Address by Secretary of Agriculture Orville L. Freeman, 37th Annual Meeting, National Council of Farmer Cooperatives, Washington Hilton Hotel, Washington, D. C., Thursday, January 20, 1966, 10:15 a. m. (EST).

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One of my most satisfactory experiences as Secretary of Agriculture is the improvement in communication between Farmer Cooperatives and the Department of Agriculture that has developed through the last five years. This communication has become increasingly candid and constructive, steadily broadened in purpose.

I am confident you will agree, however, that our relationship is not aimed at creating the greatest mutual admiration society the world has known since Napoleon first gazed into a mirror.

Rather -- we communicate ... we cooperate ... we coordinate with the common objective of helping rural people utilize resources that will -- when the need exists -- enable them to progress more effectively through joint efforts than they could through individual action.

Unless we succeed in informing prospective members, and the public generally, of the role Cooperatives can play in the continuing advancement of the free-enterprise system, our communication with one another will perhaps remain pleasant -- but not very productive.

It is with the aim of giving more Americans greater opportunity to learn about the operations and objectives of Cooperatives that I am today announcing that the U. S. Department of Agriculture will participate in the 1966 Cooperative Month Observance -- still more than eight months away.

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I am making this announcement early in the year so you may begin planning a coordinated program of activities reaching from Washington and the State Capitals into communities across the country.

The National Advisory Committee and representatives of the Department of Agriculture have just finished reviewing results of the 1965 Cooperative Month observance. There is substantial evidence of gains in creating a clearer understanding of the accomplishments and the goals of the many types of Cooperatives serving some 18 million members in the United States. The number of Governors issuing Cooperative Month proclamations rose to 20, as compared with 12 in 1964. The District of Columbia issued a similar proclamation, for the first time. Agencies of government other than Agriculture conducted eight seminars to tell why and how they work with Cooperatives.

In the Department of Agriculture we are anxious to help in every possible way in your efforts to take the Co-op story to a greater audience in October 1966.

Cooperative Month will, of course, have its greatest significance as a climax for day-by-day action and achievements through the first nine months of the year. Something to celebrate is the primary requirement for a celebration.

And it is the responsibility of leadership to plan, encourage, and inspire the day-after-day actions that lead to climactic achievements.

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You and I are in this place, this day, because we carry leadership responsibility. We are not unique -- there are many thousands of us in the public and private sectors of national life.

I believe most are acutely conscious of responsibility. But what about vision, and versatility? Are you and I and the others seeing far enough? Are we thinking and acting within boundaries that are too tightly drawn? Do we need new concepts to respond to the rapidly-changing requirements of a Nation that is growing in potentials, and problems, and population?

The real and present dangers of limited leadership concepts were cited by Dr. John W. Gardner -- Secretary of Health, Education and Welfare -- in an essay which appeared as an introduction to the annual report of the Carnegie Corporation of New York.

There is relatively little abuse of power by the Nation's top leadership, Secretary Gardner wrote, but he went on to make -- and I quote -- these observations:

"Very few ... take a really large view of the leadership assignment. Most of them are simply tending the machinery of that part of the society to which they belong.....

"These people may tend it very well indeed, but they are not pursuing a vision of what the total society needs. They have not developed a strategy as to how it can be achieved, and they are not moving to accomplish it.... It is doubtful that we can any longer afford such wide-spread inattention to the largest questions facing us....

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"The cure is not to work against the fragmentation of leadership, which is a vital element in our pluralism, but to create better channels of communication among leadership groups, especially in connection with the great issues that transcend any particular group."

I would like to apply Secretary Gardner's comments to Agriculture and Rural America -- not argumentatively, but exploratively.

Through the lifetimes of all of us in this room American leadership -- particularly farm and rural-oriented leadership -- has wrestled with what was called the farm problem.

The problem was attacked with vigor and purpose on a variety of fronts but, in substantial measure, the efforts were centered on land and crops and prices. And, from non-farm leadership groups, response was more often critical than constructive in nature.

Nonetheless, today we point to a substantially improved national farm economy. There are more adequate family farms today than there were five years ago, or a decade ago. Farm income, in total and on a per-farm basis, is at historic levels. Complaints about surpluses have been succeeded by concern about the adequacy of food reserves. Consumers are getting more of better quality foods at less cost in terms of percentage of income than ever before. More adequate diets are reaching more school children, and more underprivileged families, through School Lunch and Milk and Food Distribution and Food Stamp Programs. Exports of agricultural products for dollars, and in the Food for Peace program, are at an all-time high.

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There are, of course, many reason for the improved economic environment and for the new and more appreciative view of agriculture which now exists among non-farm leaders and the Nation's consumers.

I call your attention to one of basic significance:

We started making meaningful progress when emphasis was shifted from the solution of a farm problem to the construction of a food program....

a positive, forward-looking food program....

one that combined the over-all needs of farmers and consumers -- the right to produce abundantly with a fair return and to buy at reasonable prices -- into a single package.

It was this approach that increased, and strengthened, the lines of communication between the leadership in farming, agri-business, public welfare, world trade and aid, and the rural and urban leadership in the Congress.

It was with the objective of strengthening and expanding a purposeful food program -- one that gave greater opportunity for both producers and consumers to share the benefits of abundance -- that the Food and Agriculture Act of 1965 gained support and came out of the Congress with a four-year life span.

I do not wish to imply we've gone as far as we can go -- or must go -- in the practice of this philosophy, and the utilization and further development of these improved food and farm program tools.

Certainly our farmers must acquire and use better -- often cooperatively -- the knowledge and skills essential to achievement of a dynamic role in the food and fiber marketing structure if they are to achieve full parity in earning opportunity from their tremendous record on the production side.

Another example of broadened thought and action as distinguished from a limited, even parochial, concept is found in today's approach to handling natural resources -- private as well as public.

Not many years ago soil and water conservation was generally viewed as a way to stop dust storms and floods, improve the productivity of croplands, and put some natural resources aside for use in the indefinite future.

But now we look upon soil and water and woodland conservation in terms of multiple use by more and more rural and urban families right now -- in 1966.

In food and farming, in conserving and using natural resources for recreation and the enjoyment of beauty, we have established meaningful guidelines clearly consistent with the total national wellbeing. If we follow them purposefully, always retaining the virtue of flexibility essential in a rapidly-changing Nation and World, we can anticipate continued progress.

But I would ask you, as a leadership group, to enlist for an additional assignment -- the management of space in ways that will provide growing numbers of rural and urban people an improved environment in which to live rich and rewarding lives.



Along with skilled farmers and rich food production resources, the greatest asset rural America has is space.....

Space where the trees and the grass and the lakes and the reservoirs and streams are....

space where on a clear day you can see almost forever.

Making space on earth fit man is perhaps an even greater challenge, and could be a more rewarding achievement, than fitting man for outer space.

Making space fit man is one of the essentials of a Great Society. President Johnson touched both phases of the task in his State of the Union Message to the Congress last week.

He said:

"In some of our urban areas, we must help rebuild entire sections and neighborhoods containing, in some cases, as many as 100,000 people. Working together, private enterprise and government must press forward with the task of providing homes and shops, parks and hospitals, and all the other necessary parts of a flourishing community where people can come to live the good life."

The President also said:

"For those who live on farms and in rural America, we must plan for the future through the establishment of new Community Development Districts, improved education through the use of Teacher Corps teams, and better health measures, physical examinations, and adequate and available medical resources."

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Those two objectives can be combined into a single purpose if there is communication between rural and urban leadership aimed at striking down self-interest barriers so that efforts to achieve better environments for people are not limited to city, or to countryside, but made to cover a Nation.

It is possible to ease the population pressures on the cities -- and the resulting social and economic problems that affect us all -- by increasing the range of opportunities for productive non-farm jobs on the countryside, so that those who want to stay there can, and those who want to go there can.

If we do nothing to alter the existing trend, the movement of people -- many of them unprepared -- from country to city will accelerate. There will be enough more of them in cities by 1985 to stack five more New Yorks on the present New York, 27 more Washingtons on the present Washington.

Man was not made for stacking.

Never was the gate as wide open for the development of the whole of rural America as a place for people as well as farms as it is now. Never has it been so clear that in the total national interest the flood of people from country to crowded city should be checked.

Response to this opportunity calls for broadened vision and versatile planning to better use the abundant space of the countryside. And it calls for:

1. Combining rural community resources with those available through the Great Society programs which the President has declared will be continued despite the heavy burdens placed upon us far beyond our own boundaries.

2. Intensification of the war on poverty in cities and along the countryside.

3. Improvement of rural educational programs, health programs, water systems and waste disposal systems, and roads.

4. Better communication and increased cooperation within the complex local governmental structures of city and town councils, county boards of supervisors, school boards, conservation district supervisors, drainage district commissioners, zoning commissions and a wide range of State governmental units -- plus the Federal government.

5. Cutting through out-dated boundary lines so that the resources of districts and regions can be used in planning and performance.

6. The allocation, by private industry, of some of its expansions and new industrial developments to rural areas.

All of this adds up to improving the quality of life in rural America. When we do that, millions of people will decide they prefer country living, and ours will be a stronger and better America.

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Unless you and I, as rural leaders, respond not only to the requirements of our agencies of government and our own Cooperatives -- but at the same time to broad national demands and opportunities -- we cannot qualify as pace-setters in today's society.

My experience as Governor of a great State, and my experiences in Washington, have taught me the Cooperative movement was not launched by men and women of limited vision, operating in little compartments.....nor did it grow like Topsy.

My experience has taught me that the motivating force in Cooperative leadership is vision and a high concept of service.

And I have every confidence that what I have learned from experience will be substantiated in the days ahead by the quality of leadership both rural and urban America finds in you.

Let us continue, then, as old friends, to reason together -- work together -- and make the circle for the creation of a better national environment...through the development of a countryside containing more opportunities for more families.....an ever-widening circle.

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I am pleased to be here with you today.

I have looked forward to this visit for many reasons. You and I have talked many times, either when you came to Washington, or when I came to your community or State. But this is the first visit we share at the American National Cattlemen's Association.

It is an appropriate time. The farm economy is healthier today than at any time for more than a decade, and it will continue to improve.

There are more adequate family farms today than five years ago, or a decade ago. Farm income, in total and on a per-farm basis, is at historic levels.

Complaints of farm surpluses, which were sounded with monotonous regularity only a few years ago, have been replaced by concern about the adequacies of food reserves.

Happily we have healthy food reserves, a healthy agriculture and a healthy outlook for both to continue.

Consumers are getting more of the better quality food at less cost in relation to personal income than ever before. More Americans, and particularly our children, are getting a more adequate diet today through school lunch and milk and food distribution and food stamp programs than ever before.

Address by Secretary of Agriculture Orville L. Freeman at the 69th annual convention of the American National Cattlemen's Association, Municipal Auditorium Music Hall, Kansas City, Mo., January 25, 1966, 2:30 p.m., CST.



Farm exports in 1965 were at record levels for the second year in a row, and are heading toward new records this year -- both in commercial exports and through the Food for Peace program.

Looking more specifically at the cattle industry, farm income from cattle and calves in 1965 was \$1.1 billion higher than the year before -- or an increase of about 14 percent. We estimate that 1966 will see a further increase of about 5 percent.

More beef will be produced this year than in 1965, and the American people will consume about as much beef and veal per person this year as last. A family of four will consume, on the average, about 416 pounds of beef and veal in the year.

Higher personal incomes generally in the economy will be reflected in prices for fed cattle, feeder cattle, and utility cows, that will be as good as or slightly higher than in 1965.

We have in agriculture come to a point which, five years ago, seemed a most distant dream.

I think it is pertinent that we ask how we got here ... what we must do to maintain and improve the present situation ... and consider some implications of the changes taking place in the cattle industry which affect some of you today, and will affect all of you tomorrow.

You, and many other farmers and ranchers, are sharing more fully in the Nation's prosperity today than at any time in recent years.

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This reflects skillful management on your part, a great deal of hard work and the good judgment and faith of your friends and neighbors who provide you with credit, supplies and machinery.

These factors, however, have always been required to make the farm economy go in good times and bad.

The new element that has been introduced is stability in the market -- a lessening of the influences which cause the boom and bust cycle in the livestock business.

There are many reasons for this development, among them a higher level of consumer income, but a basic force which is moderating the ups and downs today in the cattle industry -- and which can continue to moderate the extremes -- is the feed grain program which began in 1961.

The supply of meat can be no bigger than the supply of feed lets it be. The steaks we will eat tomorrow are being grown in the corn and grain sorghum fields today.

I can never forget the day 5 years and 4 days ago when I became Secretary of Agriculture. I was faced with an 85 million ton mountain of feed grains -- and the prospect of a new crop that would add another 10 to 12 million tons of surplus grain with no place to store it. The prospect of millions of bushels of grain with no storage space meant nightmares for a new, green, harassed -- and a little frightened -- Secretary of Agriculture.

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The feed grain program which the Congress enacted as the first piece of legislation in 1961 reversed that trend, and in 1961 we reduced the feed grain carryover by about 12 million tons. Subsequent programs each year have brought the annual carryover down to a level of about 55 million tons. That is still about 10 million tons more than is required for an adequate reserve, but it is a great deal better than 85 million tons or the 140 million tons we would have today in the absence of a program.

But the feed grain program didn't come in time to halt the buildup in cattle numbers which finally burst in 1964. And if I cannot forget 1961, then I know you cannot forget 1964.

There were too many cattle on feed, and cattle -- unlike corn -- cannot be stored. Fed cattle prices fell, and as they began moving downward they pulled the price of feeder steers after them. For a time the fed steers were kept in feedlots waiting for prices to improve. When prices failed to go up, the overweight cattle rocked a sagging market even harder.

But 1964 also proved that cattlemen have a lot of friends. Consumers pitched in and chewed their way through a record of nearly 106 pounds of beef and veal apiece on the average. The Department carried out the largest meat purchase program in history. Between March and December of 1964, the equivalent of a million head of cattle was distributed to schools, institutions and to low income families.

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It was, as President Johnson stressed, an example of the constructive cooperation which must be practiced by Government and private enterprises.

We are past that crisis now, and I don't know of anyone who wants to see another one like it. In the months and years ahead, continued cooperation can moderate the cyclic extremes of the market -- and that cooperation can best begin with the successful operation of the feed grain program.

But let me emphasize that the feed grain program is no guarantee of prosperity in itself. But it can mean that the skill and management of those who produce feeder steers ... and those who feed them ... will have a better chance of success. And after all a chance is all that anyone asks.

The Department, I am happy to report to you, will be helping in other ways.

We are developing the new U. S. Meat Animal Research Center at Clay Center, Nebraska. This will be one of the largest and most important facilities of its kind in the world. We have obtained 35,000 acres once used by the Navy, and will be able to concentrate our animal research efforts on genetics and breeding, studies of housing and herd management, and research on the characteristics of meat quality.

In particular, we want to work on overall production efficiency. With the new facilities, animal husbandmen, engineers and market quality

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specialists will be able to work together on the complex relationships between production, marketing and processing.

On a more immediate front, we are redoubling our defenses to prevent any possible invasion of the foot and mouth disease strain that has broken out in epidemic proportions in Russia and now appears to be creeping westward across Europe. Careful attention is being given to the Cuban refugees entering this country in Florida. USDA inspectors already have discovered and destroyed Russian meat carried by these refugees.

We also are joining with the beef industry to explore every possibility for selling meat, meat products and by-products abroad.

Much has already been done. In 1964, exports of tallow and grease reached \$180 million; hides and skins brought in \$83 million; and lard another \$70 million. Export of variety meats totaled \$48 million. The 1965 totals are not all in yet, and though they won't be quite as high as 1964, they will still be substantial.

Recently, as many of you know, we have begun a new program ... merchandising a new product ... in the increasingly prosperous countries of Europe. We're beginning to interest them in grain-fed beef.

European consumers are now where Americans were 35 years ago. They are used to grass-fed, rather than grain-fed beef. But incomes are rising, and Europeans are upgrading their diets. They have already increased consumption of livestock products. Their next step is to expand use of high-quality livestock products.

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We are aiming our promotion drive at the high-class restaurant and hotel trade, with the message that U.S. fed beef is worth every penny it costs. We were encouraged recently when the first shipment -- 30,000 pounds -- of U.S. Choice beef went to Germany.

It will take a long while to develop a substantial European market for American beef, but we intend to pursue that goal. With the help of some of our expert restaurant people who specialize in beef, I believe we can succeed.

These programs in which we cooperate -- feed grains for stability; research for greater efficiency; inspection to guard against disease; and promotion for market development -- all seek to create an environment in which the farmer and rancher can use his skill and labor to provide a decent living for his family.

But even as they are better coordinated today than perhaps at any time in the recent past, I find myself troubled by what lies beyond the not too distant horizon. I see the cattle industry approaching a crossroad where the question will be not of how much beef will be raised, fed and sold ... but rather who will raise it, who will feed and sell it, and how.

Livestock marketing today is efficient, yet it follows an ancient pattern. Buyer and seller get together, look over the animal, and haggle over price. Perhaps 95 percent of the cattle in this country is sold in this style which has changed little since Biblical times.

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That's amazing, when you consider the technological changes that have come into the world. Oranges are shipped by the carload and truckload to buyers a thousand and more miles away on the basis of an official USDA inspection certificate. Cotton is traded across oceans on the basis of the Universal Cotton Standards. Most of our poultry is now produced under contract, in an integrated operation that's far from the traditional farm poultry flock.

Perhaps the most dramatic changes of all have been in the way people buy food -- and these changes in retailing are forcing changes in livestock marketing. Today, groups of retail stores carry thousands of stock items. They do tens of billions of dollars in business every year, and account for the bulk of food marketing. These stores offer customers a broad and uniform range of meat products every week of the year. There's little room for seasonal fluctuation or quality variation. Food buyers demand strict specifications for quality and size -- whether it's a quarter of Choice beef or a case of canned corn.

Retailers put pressure on packers for uniform products. Packers, in turn, put pressure on feeders. Giant feedlots now turn out tens of thousands of fed cattle a year. They account for less than one of ten fed steers slaughtered today, but the percentage increases each year. Ph.D's in animal nutrition tailor the cattle menus, and computers and on-site feed mills turn them automatically into feed for the feed bunks.

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And a few packers now do a sizable fraction of feeding themselves. One packer is planning an air-conditioned feedlot capable of turning out 50 to 100 thousand cattle per year.

With pressure being transferred from retailer to packer to feeder, the next man in line is obviously the producer -- the cow and calf man. And believe me, the pressure for uniformity will be felt even more strongly than now in the cow and calf operation.

The desire for products turned out uniformly like nuts and bolts is in basic conflict with the anatomy of cattle and the biological processes of their production. We have done a lot with genetics and feed and management techniques to get more uniformity -- but beef cattle simply do not come in standard sizes and shapes. Still, the pressure will continue.

Even more important, this trend creates a new challenge to the system of proprietary ownership and decentralized private marketing that is the cornerpost of our livestock and meat industry.

A number of changes are taking place in marketing. Terminal markets are still important in the marketing of fed cattle -- but throughout the cattle industry a dozen different methods of marketing, old and new, are being tried. Some are contract arrangements, others are direct trading. All are part of the search to find methods of orderly and efficient marketing in a system growing more exacting in its demands.

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We cannot halt the process of change. We must respond to the pressure for a better beef animal marketed in a more orderly manner.

But we must also be concerned with where change might lead us.

We must be alert, lest this change force the cattle production and feeding industry into an economic straightjacket. If the cattleman becomes a "cordwood" producer to the specifications of his customer, his bargaining options are reduced to selling at the lowest price compatible with high efficiency and mere survival. We must carefully examine the effects of change on our decentralized marketing system, in which prices arrived at openly are the impersonal regulating force.

The marketing system depends on the proprietary independence of each person in the marketing sequence. I'm not speaking of theoretical or paper independence, but the real freedom to make decisions. If a producer has only one decision that he can make -- to produce a product to specifications at a minimum cost under an ironclad contract, or not to produce at all -- then he has neither independence, nor much business power.

If the open market pricing system is to work at its best, each buyer and seller must have elbowroom for negotiation on most of the decisions that will affect his income. If a different system, or a battery of different systems is to parallel the several types of familiar open markets, then we may need some different rules of the road.

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Many of the services which the USDA provides are designed to help preserve our decentralized livestock marketing system. These services include, among others, the grading, market news, and regulatory work of the Consumer and Marketing Service, the market research of the Agricultural Research Service, the economic outlook information of the Economic Research Service and Federal-State Extension Service, and the statistical reports of the Statistical Reporting Service.

These services are modified from time to time to keep the marketing system open, efficient and viable. The Packers and Stockyards Act protects the cattle industry from unfair trade practices, but it was written in the 1920's. Fraud and deception may now appear under different conditions, and we updated P & S accordingly.

Our market news reporting has moved out closer to the farm, ranch and feedlot as direct trading increases. We're also reporting more data on wholesale carcass beef trading. Carcass prices are coming to be relied on more and more. Feeders especially watch them to learn in which direction the market is moving and the relative prices in various market areas.

U. S. grades for beef have a double mission. They help the beef marketing system to be more efficient and competitive because the small firms can still compete on graded beef with large firms in cattle slaughtering. Grades also reflect value all the way back to the farmer or rancher. The new supplemental yield grades, for example, give an added factor in determining value of a beef carcass -- how much salable meat it will yield.

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More precise grade standards also are of growing importance. Recently, one of the major food chains dropped an experiment in which it featured U. S. Prime beef in its stores. The chain is quoted as saying that Prime beef sold well -- but its buyers couldn't get enough of the kind of Prime carcasses they needed. Too quickly, they began running into wastey, globby carcasses that couldn't be merchandised economically.

The future belongs to producers who can tailor their products to the needs of the market. The USDA offers a carcass evaluation service which can be of real help to producers here. For a nominal fee, our meat graders will provide a complete carcass analysis of your animals after slaughter ... including such factors as degree of marbling and maturity, fat thickness, rib eye area, and the texture and color of the lean.

Another important factor emerging in the market is the need for more accurate scheduling of deliveries. Buyers want this, and cattlemen who can provide quantities of similar quality animals on a regular schedule will have the advantage. Large operators may be able to do this through the sheer size of their operations. But smaller producers can move in this direction through a variety of cooperative arrangements in marketing.

Change is coming. The future will be determined by what we do with changing conditions.

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It is clear that doing things the way grandfather did them will not be enough tomorrow. If the cattle industry is going to take a leading role in guiding and benefiting from this change, the time has come for some searching analysis of some hard questions.

The programs I have outlined here are designed to be helpful to the cattle producer and to the cattle feeder -- and to the whole cattle industry as a competitive element of our economy. We seek to modify and improve these programs as conditions change, and to work more closely with you in this process.

We need to know how best to improve the opportunity of the cattleman to prosper in an open and competitive economy. You are concerned about this, and so am I. Let's keep the channels of discussion open.

Fortunately, there is time ... and the information needed for planning is becoming available. The National Commission on Food Marketing, which will issue its report on June 30, has given considerable time in study and public hearings to livestock marketing. Its report will be valuable.

But regardless of how we find the answers, they must be found. Our goals are to find more efficient ways to produce and market beef cattle ... to maintain stability in the markets for both fed cattle and feeder stock ... to achieve more consistency in the quality of our livestock ... and improve the scheduling of our production. And we must

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do this while preserving the essential ingredients of a self-regulating open-market enterprise system that will leave producers and marketers the maximum freedom of decision.

Cattlemen are rugged and independent, and express their feelings directly and forcefully. Some people accuse me of the same virtues.

I have found you a bit irascible at times, but always straightforward and honorable. We have on occasion agreed to disagree, but not for very long -- nor have our differences ever been personal.

I wish to thank you for the many personal courtesies you have extended these past five years, and to pledge you my full cooperation -- and that of the USDA -- in the days ahead.

Together we face a challenging new era. Building on what we have accomplished and learned together, we can go forward from where we are today to greater progress in the future.

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I have looked forward for some time for this chance to be together with you. It provides us an opportunity to discuss together some matters of mutual interest.

I am glad that I can meet here with you in these good times. We are in the midst of the longest sustained business prosperity in our peacetime history.

Only yesterday the Secretary of Labor predicted that the unemployment rate would be in the neighborhood of 3.5 percent by the end of June. This would be the lowest unemployment rate since 1953 and one of the lowest in the Nation's history.

More than 70 million people are gainfully employed in our country-- a figure that was laughed at when predictions were made in past years that we would reach this level of employment.

Corporation profits last year were 20 percent up after taxes, and up 67 percent from 1960. Our gross National product will top \$720 billion-- a figure undreamed of a few years ago.

I am pleased when I look back over 1965 and see that net farm income was the best in 12 years; that per farm income is at record levels -- and that 1966 promises to be even better.

This prosperity was not an accident. Since 1961 there has been a conscious effort on the part of the Administration to bring about a cooperative effort between business and Government to develop programs and take administrative action to bring about these gains. I heard about wringing of hands among businessmen in this country when there was a change of Administration in 1960. The hand-wringing has changed to hand clapping

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Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before the American Textile Manufacturers Institute annual dinner at 8 p.m. (EST) Thursday, Jan. 27, 1966, in the Plaza Hotel, New York City.



as the Kennedy and Johnson Administrations have brought this Nation into the 20th century.

As Secretary of Agriculture, I am sure that many of you wonder why I have this interest in business. Food and agriculture is the largest single business enterprise in our Nation. As Secretary of Agriculture, I am concerned with your interests -- business interests -- with the interests of the farmer, the consumer, the taxpayer and each and every one of our citizens.

I am gratified that the prosperity of the Nation has extended to the textile industry. Your investment of more than a billion dollars this year in new plants and facilities means that you are doing well and that you are confident enough to make a record investment in the future. Your investment will mean stronger economies in those places where new facilities are built or old facilities are expanded. It will mean new jobs for our workers and it will mean new markets for the cotton grower.

My task -- and your task -- is to build on the base we have constructed to insure that these trends will continue. Whether we improve or decline from today's level will reflect the decisions we make now and in the days, weeks, and months to come.

This is what I want to discuss with you. Let me first review briefly some of the steps which brought us to where we are today in the textile industry.

Five years ago the Nation's economy had dipped into the third recession in the past decade, and earnings in the textile industry showed little prospect for improvement.

There was a crisis in confidence in the textile economy. The Administration set out to dispel it.

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We negotiated with other textile producing countries arrangements which assured them of access to U. S. markets; in return, these countries have shown restraint in not flooding domestic markets.

A number of tax policy actions were taken to encourage greater investment by U. S. industry in general, and this has been of particular benefit to the textile industry. A more rapid tax depreciation schedule was instituted in 1961 and 1962, and corporate taxes were reduced in 1964 along with personal income taxes.

While these actions helped to strengthen the financial condition of the textile industry, even more basic changes in cotton production and cotton pricing policies were essential to the long run health of the cotton and textile economy.

The cotton program which had served the Nation well for many years had simply run out of gas. Cotton exports were declining, cotton consumption in domestic mills was losing ground to test-tube fibers, and the cotton carryover was increasing rapidly.

New cotton legislation was enacted in 1964. It helped in some ways. It made the "breakthrough" on one-price cotton but the 1964 cotton program was not a success. You will recall that in 1964 many of us, and I include myself and I know many of you here, claimed that the move to one-price cotton would increase domestic consumption by more than a million bales and bring about a reduction in the cost of cotton goods to the consumer. We were wrong and it became obvious that a new program was needed. With the new legislation the carryover of cotton continued to increase; the annual cost of the cotton program moved towards a billion dollars and it appeared it would continue to rise.

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This was the setting in which we considered cotton legislation in 1965.

The legislation we adopted last year sets price support loans at near world prices and should enable cotton to move freely -- and without Government participation -- in domestic and world markets. A system of direct payments will maintain grower incomes at levels which will enable the farmer to meet his costs and obtain a decent income for himself and his family.

With our price support loan at 21 cents per pound for the 1966 crop, and our export prices at more competitive levels, we can, and should have, larger cotton exports. Although exports during the current season will be low because countries abroad will be reducing their stocks on hand in anticipation of lower U. S. prices for the 1966 crop, we expect exports in the 1966-67 marketing year to increase sharply. Part of this increase will be to replenish the low stocks which will be held abroad on August 1, 1966 and part will be the result of the new program and its effect on production abroad.

We expect the new legislation to slow the rate of increase of world cotton production -- but not to cause a decline in cotton production abroad. Lower cotton prices can encourage the consumption of cotton abroad because of more effective competition with rayon.

Slight changes in the rates of growth of cotton consumption and production abroad can cause a rather significant change in cotton exports from the United States. Cotton production abroad (excluding Mainland China) totals around 31 million bales and cotton consumption is around 34 million bales. Foreign consumption has been increasing at a rate of

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about 2.7 percent a year and foreign production about 4.1 percent a year for the past ten years.

If we could slow the rate of growth in production by just 1 percentage point and increase the rate of consumption by just 1 percentage point, U. S. exports could reach roughly 6 million bales in about two years. This is the kind of effort we must be making.

With higher exports and strong participation by producers in the new cotton program, we can bring a substantial reduction in the present record 16 million bale cotton carryover. Production on an annual basis likely will decline about 1.5 to 2 million bales from the recent levels of about 15 million bales.

Another factor which can help increase cotton consumption, and speed the decline in carryover, is an effective cotton promotion program. Congressman Harold Cooley, Chairman of the House Agriculture Committee, introduced yesterday a bill to establish a self-help research and promotion program for cotton. I believe this kind of activity can benefit the whole industry and consumers and taxpayers alike.

But the rate and extent to which the mountainous surplus of cotton is reduced will depend, as much as anything, on the actions and policies of you in the textile industry. In effect, it is within your power to help determine how successful the new cotton program will be ... and whether the American people will accept it as reasonable public policy.

I emphasize this fact, not because it is a startling revelation, but rather to impress upon you the need for us to continue the spirit of cooperation which has brought the Nation's economy to its present level of efficiency and prosperity.

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When the search for an effective cotton program began, the textile industry took the position it would support any program which would achieve one-price cotton. You soon discovered that sound public policy was not that simple. You had to decide what that policy should be, and then to give active and sustained support to that policy as it was being developed in the Congress.

There is no less need today for responsible action on the part of the textile industry.

Since early in 1964, prices paid by domestic mills for cotton have declined about 9 cents a pound. In 1964 the index on broad woven goods and yarns declined as well. It is an interesting fact that, during this same period, imports went down and exports went up.

Then late in 1964 the price on woven goods began to rise -- the prices on yarns began to rise. The price for broad woven grey goods, for example, has increased nearly 8 percent during the period from 1964 to date. What has happened? Exports of cotton textiles have declined and imports of cotton textiles have increased.

This is what I am referring to when I suggest that you and everyone in the textile industry needs to give your full consideration and your every thought to action in this vital area of the cost of goods.

While it is true that mill consumption did increase last year by some 200,000 bales over 1964, to a level of 9.2 million bales, declines in exports and a sufficient increase in imports to bring about a 400,000 bale balance in favor of imports indicates that this is a 400,000-bale domestic market the textile industry has turned over to foreign producers.

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I am sure we both recognize the value and worth of this new one-price cotton program, and we must make every possible effort to insure that it works for the benefit of all segments of the economy. Our failure would be a smashing blow at the textile industry of this Nation.

That is why I have come here tonight. We are beginning a new phase of the cooperation which has brought us a long way from the dismal outlook of just five years ago.

I pledge you to carry forward the spirit of cooperation undiminished ... and I am confident that you will do the same.

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We are here to discuss the shape of things -- present and future --  
in rural America.

We are together because we believe expanded opportunities for  
successful family living in the countryside will help enrich the quality  
of life for all Americans.

Let me right now reaffirm my personal gratitude and appreciation --  
and that of this Department and the whole of the Administrative structure  
of Federal government -- to each of you.

Your willingness to share knowledge and experience, to give us  
advice and guidance and ideas, and to improve communication between people  
and government are -- and will continue to be -- among our major assets in  
program planning and administration.

A few days ago, as my thoughts turned toward this conference,  
I recalled the story of the father and of the little boy who wanted to  
be doing something.

The dad stretched out in his easy chair after a day's work to  
read his newspaper before dinner. He was interrupted by the traditional  
complaint of children about having nothing to do -- so he assigned a  
minor household chore to the youngster.

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Remarks of Secretary of Agriculture Orville L. Freeman before the National  
Advisory Committee on Rural Areas Development at the Department, Washington,  
D. C., February 1, 1966, at 9:30 a.m. (EST)

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In no time the boy was back for another assignment. This was repeated several times and finally the father, in desperation, picked up a map of the United States from a table beside his chair, tore it into many dozens of pieces, and said: "Here, son, take this and put the country back together again."

The boy happily went to work on the home-made jigsaw puzzle. His dad again settled back with the newspaper -- but before he had read as far as the sports page the child tugged at his arm and proudly pointed to a perfectly put-together United States of America.

Pleased and amazed by the lad's knowledge of geography and his speed in applying it, the father said: "That's really wonderful. But how did you do it?"

"I remembered," the boy explained, "that on the back side of that map was a picture of a man. And I figured that if I just put man together right, the country would come out in pretty good shape."

The child adapted man to the needs of geography.

You and I, and many thousands of our fellow Americans, are aggressively concerned with adapting geography to the needs of man. We believe that if we put together a proper allocation of this country's great resources, people will come out in good shape.

And that's what Rural Areas Development is all about.

It is fitting space to the physical, cultural, social and economic needs of a rapidly-growing population. It is exercising, through democratic

processes, the knowledge and skills -- and the audacity, if you please -- to realistically inventory our national resources and allocate them in ways that increase opportunities for living rewarding lives.

We are an urban society -- two-thirds of our people live in cities.

Yet less than one percent of the country has been urbanized.

A continuation of this trend toward piling up 66 percent of the people on one percent of the geography is bad national practice -- a practice tending to intensify rather than alleviate existing social and economic ills afflicting both city and countryside.

We can halt -- even reverse -- the present trend in people placement only if we add to the resources that already make the countryside attractive, the job opportunities that make it possible for more families to stay there, or move there.

And in that aspect rural areas development means accelerated industrialization -- more factories and processing plants, more business and service institutions.

It need not -- should not -- call for the physical transfer of existing factories and plants and businesses and people from metropolitan areas.

This is a growing nation. It is the wise allocation of the new productive and service facilities required for more people with more needs and more money to fill those needs that will enrich the opportunities in the now unused space, and ease the pressures on the cities.

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No area in the world has matched the record in growing things compiled by rural America. It can make an equal contribution to the national well-being in making things.

You and I have been in the business of seeking to bring about a rural renaissance -- a broadened understanding of what rural America can contribute to lifting the general level of quality in our civilization -- for a long, long time.

Yet the meaningful progress has taken place in a comparatively short span -- dating back to 1961.

Remember the Land and People Conferences? It was then we really developed a full head of steam by creating a new public appreciation for the possibilities of using land to benefit people in more ways than providing their food and lumber.

Remember the furor that developed when the idea was first unfurled that a golf course could be a better crop than corn for both producers and consumers if we allocated the space properly?

During that same period my mail each day carried several letters complaining that if I thought a farm was intended to provide a pond for city slickers to catch carp I must be some kind of a nut. But now better fish than carp are profit-making crops on farms that are still in grain and livestock production.

We are lucky pioneers, those of us who once had dreams and goals that seemed far away -- not because we have necessarily realized all the

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dreams or achieved all of the goals -- but because we have a privilege not many pioneers of the past experienced:

We can now plan and work within a framework of firm national policy.

Under the leadership of a forward-looking President, through the actions of a constructive Congress, rural America has been given the opportunity and the tools for a significant nuts-and-bolts role in what Walter Lippman describes as "the epochal task of remaking the physical structure of American society in order to make it habitable by a radically-changing population."

Just a week ago President Johnson proposed to the Congress another tool for this task -- the "Community Development Act of 1966."

In the message which accompanied the legislative proposal, the President recalled that last year he had directed the Secretary of Agriculture to put his field offices to the task of assisting other Federal agencies in making their programs effective in rural areas. "As a result," the President continued, "the Rural Community Development Service was created and charged with assuring that the Department made that assistance available."

The Rural Community Development Service is the "outreach" arm of the Department of Agriculture which is helping rural people achieve more effective communication with one another and a comprehensive knowledge of the planning, technical and financial assistance services available through all the agencies of the Federal government.

Also in that message, President Johnson made it clear that we are looking toward higher goals from a plateau built on progress. "An increasing combination of local, State and Federal resources is already beginning to transform the countryside," he told the Congress and the Nation.

What does this record of transformation in the countryside show?

1. It shows an improved agriculture. There are more farms in the adequate family farm classification now than there were 5 years ago. These are the farms with human and physical resources matched to modern technology, modern market demands, and earning opportunities. Their number is still growing. Farm income is up -- reaching a modern record in 1965 and showing clear indications of another climb this year. Congress has put food and agriculture policy on a long-term basis with legislation that combines stability with the flexibility essential to meet new or changed food and fiber needs. And more confident, more prosperous farm families are buying more goods and services -- creating more jobs in rural communities for those who provide them.

2. The record shows a steadily-improving physical environment in terms of conservation and -- at the same time -- ever-expanding use of natural resources.

More than two million landowners and operators are cooperating with Soil and Water Conservation Districts -- an increase of 150,000 since 1960.

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Ten Rural Conservation and Development Districts were authorized for planning in 1964, ten more in 1965, and another five are scheduled for 1966. About 500 identifiable project measures are now underway as a result of community-wide planning efforts. The investment ratio is running four dollars of local money to every dollar of Federal funds.

The number of small watershed projects authorized for operations since 1960 has gone well over the 400 mark.

Better management of privately and publicly-owned natural resources is accompanied by expanded use. One of the greatest assets the countryside has is one that urban Americans want more and more of -- outdoor recreation.

Upstream watershed projects in 30 states include 88 recreation developments. Upon completion they'll provide recreation opportunities for 5 million people each year. Sixty more such recreation developments are now in the planning stage for watershed projects.

On public lands the Department of Agriculture today has in operation 199 winter sports areas that will be used this season by more than 7 million men, women and children.

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We have made a preliminary award to Disney Productions for development of the Mineral King area in Sequoia National Forest and there'll be an investment of \$35 million in the development of a year-around resort. It will employ 600 permanent workers, plus 800 to 1,000 seasonal workers.

3. The record shows gains in the quality of rural housing, community water systems, and community recreation facilities.

Through the credit services of USDA alone, since January 1961 nearly 84,000 rural families have invested almost \$675 million in new or improved homes. Another \$4.6 million in loans has gone into nearly 700 rental units for senior citizens.

More than a half-million rural people now have fresh, pure water running into their homes through systems developed with 1,125 loans amounting to over \$140 million.

Over 200 rural communities have new outdoor recreation areas developed with loan assistance totaling \$21 million.

Loans totaling \$1,833,700 have been made to local development authorities in 15 rural renewal project areas. Technical assistance funds amounting to \$88,000 have been made to these rural renewal projects for planning and surveys to determine ways of developing and attracting industry.

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This is a record in which we can find both pride and satisfaction-- but only for a moment. More significantly, we should look upon it as reason to believe that we can--and resolve that we shall--do better in the days ahead. Let's take a quick look at some of the actions coming off the planning board for 1966:

The Department of Agriculture expects to assist 900 communities in the construction of water systems, 500 in the installation of waste disposal systems during 1966.

We anticipate that insured housing loans will go to 45,000 families and amount to \$426 million...while direct loans and grants for senior citizen housing and home improvements will amount to \$20 million and help 6,000 families. Another \$17.7 million will go into labor housing loans and grants benefiting 4,000 farm-worker families.

The tempo of activity on the natural resources and recreation front will rise sharply in 1966.

We expect to assist 160 communities in the development of recreation facilities that will serve more than 100,000 people.

We'll respond to requests from as many as 500 planning commissions, zoning boards, conservation commissions and other public bodies for assistance in comprehensive land use planning.

We'll process 200 new watershed development applications, begin planning operations on 95 new projects, approve 100 for operations, and launch at least 70 new construction projects.

We're adding 128 recreation specialists to our staff. They are being assigned to the Rural Conservation and Development projects which have plans carrying major recreation objectives...to states where the demands for recreation development assistance from owners and operators of private lands are on the rise...and to areas surrounding cities where the recreation uses of public lands are being expanded.

In 1966 we'll have the additional conservation and recreation tool provided by the Food and Agriculture Act of 1965--the Cropland Adjustment Program. It will provide increased incentives for farmers to allow public access to land for hunting, fishing, hiking and trapping.

Even though Vice President Humphrey has described me as a true conservationist-sportsman, because I never hit anything I shoot at or catch anything I fish for, this program is particularly close to my heart. But I never looked at it in historic terms until one of the great American conservationists, George Selke, compared it to the European system of game reserves and preserves established by and for the nobility. Ours, he said, is by and for the people.

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The Cropland Adjustment Program also will enable us to help local governmental units acquire land for park and recreation uses, and I am currently calling attention of state, county and city governments to the availability of this "Greenspan" operation.

Under this year's Agricultural Conservation Program -- a traditional part of conservation policy -- added participation encouragement is given small farmers and there's greater emphasis on natural beauty projects.

During 1966 we'll construct nearly 7,000 miles of roads, over 800 miles of trails and more than 3,000 buildings in the National Forests.

And we'll continue strengthening, in scope and effectiveness, our "outreach" role through Rural Community Development Service.

Nine additional State Offices of RCDS will be opened in February, bringing the total to 12, and there will be full-time directors in a dozen more States by the end of the present fiscal year.

Right now, under a coordinated USDA-HEW effort brought about through the Rural Community Development Service, facts on Medicare are reaching eligible participants in rural sections of the Nation. Planning involving this Department and the Labor Department will make Manpower Training Programs more readily adapted to industrial development potentials in rural communities. Actions are also under way that will provide greater assistance to rural school administrators in the utilization of the Elementary and Secondary Education Act.

The improvement, and the multiple-use, of natural resources is vital to the development of new job and service opportunities in rural America. So is a sound and stable agriculture. So are more water systems,

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more waste disposal systems, more and better housing.

Yet, if rural America is to attract an equitable share of the Nation's industrial and business and service growth, it must also combine with its own resources the broad range of technical and financial aids the Federal government can help provide for education, for vocational training, for adequate health services, for cultural activities, for social services. Just building the required facilities, and operating the resulting services, could put a half-million jobs into rural America.

That's why the "outreach" function is so important. And that's why the "Community Development Districts" proposal submitted to the Congress by President Johnson can play a vital role in the allocation of National resources that is essential to the desirable use of space for the betterment of Nation and people.

For the "why" of Community Development Districts let me quote from the President's Message:

"...even with the help of these great new programs, too few rural communities are able to marshal sufficient physical, human, and financial resources to achieve a satisfactory level of social and economic development...

"It is difficult, if not impossible for every small hamlet to offer its own complete set of public services. Nor is it economic for the small city to try to achieve metropolitan standards of service, opportunity, and culture, without relation to its rural environs.

"The related interests of each -- the small city and its rural neighbors -- need to be taken into account in planning for the public

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services and economic development of the wider community. In this way the benefits of creative Federalism can be brought to our rural citizens.

"The base exists for such coordinated planning.

"New communities are coming into being -- stimulated by advanced means of travel and communications. Because of these it is possible to extend to people in the outlying rural areas a richer variety of public services, and of economic and cultural opportunities.

"By combining resources and efforts in these larger and more functional groupings, rural and small urban communities -- comprising a population base large enough to support a full range of efficient and high-quality public services and facilities -- can achieve the conditions necessary for economic and social advance."

This is the logical, essential next step in the process of rural areas development. It combines a more positive role for local government with greater efficiencies and economies in the technical and financial contributions of Federal government.

It enables rural people, rural leaders, to think and act in larger terms as they seek to make rural America a larger home for people, for industry, for business, for public and private service agencies.

And what you and I and others have been doing, and will be doing in the months immediately ahead, will fit into the coordinated planning concept as though it had been planned that way 5 years ago.

You will have questions about Community Development Districts, about our own and the activities of other agencies of government in rural areas, about what can be done with available resources and improved

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communication in the days ahead. John Baker, Bob Lewis and others will follow me in seeking to provide some answers.

You will, I hope, have ideas and recommendations that will increase the effectiveness of the Federal government's efforts. We are anxious to hear them.

I have never been more enthusiastic, more optimistic, nor more determined to mobilize every ability and energy I possess or can direct, than I am this day as I look to a future in which rural America is a full contributor, a full beneficiary, in the whole of American life.

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Office of the Secretary

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The war in Vietnam is more than a dispute over real estate, it is a struggle for the minds and hearts of millions of subsistence farmers, Secretary of Agriculture Orville L. Freeman said today.

"This war has two fronts, and victory on the military front can be won only if the battle on the economic and social front is won at the same time. In this kind of a war, fertilizer is as important as bullets," he said.

Speaking at the Governor's Day luncheon of the Florida Citrus Showcase sponsored by the Florida Citrus Mutual in Winter Haven, Fla., the Secretary said he was optimistic that the Vietnamese Government, with U. S. help, would succeed on both fronts.

"Stepping up the pace of economic and social progress to help the masses of Vietnamese, over 80 percent of whom are farmers, will shorten the war and save the lives and resources of both Americans and Vietnamese," Secretary Freeman said.

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NOTE: Secretary Freeman returned this week from Vietnam where he led a 10-man mission of agricultural experts in an extensive study of ways to strengthen Vietnamese agriculture and rural development. The mission followed the Honolulu meeting of President Johnson with leaders of the Vietnam government to determine how the United States could best assist Vietnam achieve greater social and economic progress.

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The Secretary emphasized the struggle would not be easy, but indicated that a practical technique based on past experience has been developed to achieve the stability essential to economic and social progress in the rural villages.

The key to social and economic progress, the Secretary said, is to provide security and at the same time to focus technical aid and economic assistance on farmers rather than on farming projects.

This technique can be made to work if it is vigorously carried forward by the Vietnamese Government with strong U. S. support, Secretary Freeman said.

The means for implementing it is a system of rural construction cadres trained to provide their own security in rural areas and to assist villagers in agricultural and community development efforts.

"These rural construction cadres are made up of local farm boys who have volunteered for this specialized training, and who will return to the villages in groups of 59 men when the military forces have driven the Viet Cong out. They will stay until the village is a secure and functioning entity once again.

"The cadres are taught to encourage self-help among the villagers, and do not offer help until it is requested. When the villagers ask the cadres for help -- for improved seed, or fertilizer, or chemicals, or inoculation for cattle, they must be able to produce the needed assistance.

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"That is where American assistance will come into play. The villagers have been promised much by both sides, and they are tired of promises. If their loyalty is to be won -- and the Vietnamese Government must command their loyalty if the military war is to be won -- then promises must be kept and pledges of aid and assistance must be delivered," Secretary Freeman said.

"With adequate aid and technical assistance, the Vietnamese farmer can do much to increase his productivity. Vietnam is a rich land, and its agriculture is far more advanced than most people realize.

"The Vietnamese farmers are hardworking, and they are ready to apply modern techniques -- and are ready to buy the materials and equipment to do so if they can be made available.

"I saw many striking examples of what has been done to increase agriculture's productivity.

"For example, in Phan Rang I saw reclaimed land which had been distributed under the agrarian reform program planted to onions using a modified Texas strain. The farmer was earning 200,000 piastres per hectare for this new high demand crop. This compares with a rate of 2,000 to 3,000 piastres per hectare for rice in the same area.

"Another example: A Vietnamese hog at 8 months will weigh around 110 pounds. In Can Tho I saw a hog bred from American stock, weighing over 200 pounds at 8 months.

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"Some fishermen have motorized their boats and increased their catches by as much as six-fold. Improvements such as these have led to an increase in total fish production from 165,000 tons in 1959 to over 368,000 tons in 1965.

"The Government of Vietnam's program to send many thousands of leaders and technicians as trained cadres, into newly secured villages, can and will help to achieve more security by giving farmers greater opportunities and inducements to preserve freedom for themselves.

"I was impressed by the training given cadres who will return to newly secured areas to help the villagers in their pursuit of higher incomes, better education, improved health and a better life.

"It is only common sense that if economic well-being can be significantly improved, the villager has something to protect. He has a stake in a better society."

Secretary Freeman indicated American assistance would take many forms, including:

- \* Crop and livestock production, protection, marketing, processing and transportation.
- \* Extension education in agriculture, home improvement, and work with rural youth to include the entire family and the search for improved rural living.
- \* Rural cooperatives and rural credit to make these tools more effective.
- \* Irrigation and drainage for more efficient use of soil and water resources.



- \* Forestry that will put the largely untapped woodland resources of the country to more productive use.

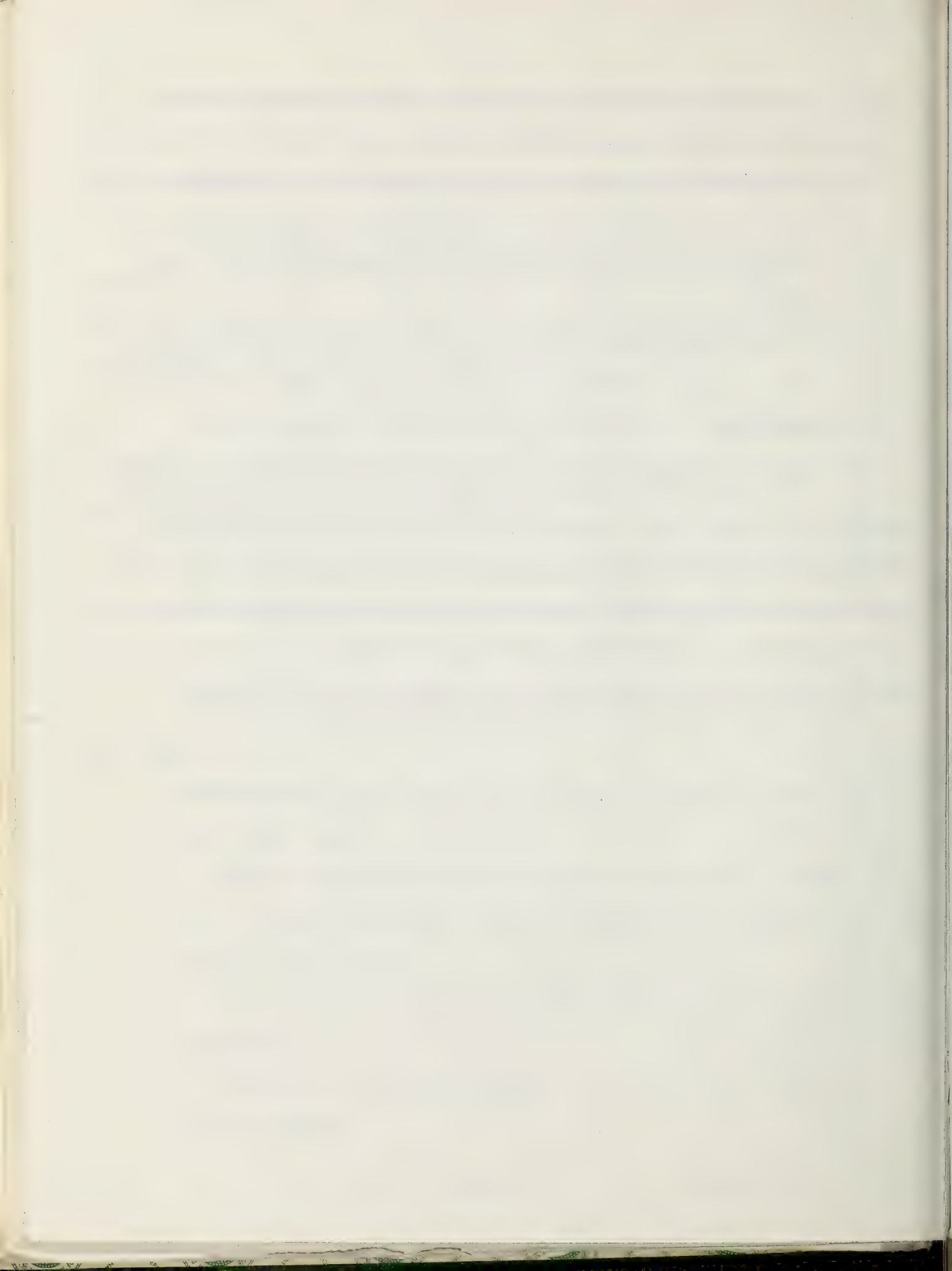
- \* Fisheries improvement to further increase the catch of marine food, tap the great potential food production of brackish waters, and create new protein sources with fish production ponds in the uplands.

- \* Land reform measures which will enable the farmer who tills the soil to own it and thus give farmers a greater stake in their own destinies.

"The task of liberating the countryside of Vietnam from communist aggression will take time. It won't be easy. But I returned to the United States confident that with help and support from the United States the leaders and the people of Vietnam will carry on both the necessary military action and the economic and social development which will hasten the return of American youth and lead to an expanding and prosperous and free Vietnam."

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Statement  
of  
The Secretary of Agriculture, Orville L. Freeman  
before the  
House Committee on Agriculture  
10:00 A.M., February 23, 1966

Mr. Chairman, Members of the Committee:

President Johnson, in his message on Food for Freedom less than two weeks ago, proposed that "the United States lead the world in a war on hunger." You, in this Committee today, are beginning to mobilize our forces in that war.

I sincerely believe that, as you begin your deliberations today, you have the opportunity to set in motion a policy and a program that will be heralded in the years ahead as one of history's greatest steps forward. This policy, if carried out successfully, will do much to advance and insure a bright future for American agriculture. It will provide continued assurance of abundant supplies of high quality food and fiber at fair prices for all Americans. And it will firmly establish the United States of America on a course of world leadership toward total victory in the war against hunger -- a war against the enemy of all mankind.

Victory in this war will save more lives than have been lost in all the wars of history. In opening the door to achieving the potential of enough food and fiber to meet the needs of all people in all nations it will open the door to progress in every other aspect of their lives.

To the millions of people in the newly independent and developing nations of the world, victory in this war means the opportunity to realize deep and urgent aspirations for higher levels of living under freedom.

To those in the highly developed nations that already enjoy material prosperity in a free society, it means continued growth in the future under conditions that make their freedom more secure.

I suggest that never before have the Agriculture Committees of the Congress of the United States had so great an opportunity to launch a policy and a program that means so much to so many.

#### A New Program

In this opening testimony on the Food for Freedom bill recommended by the President of the United States I should like to review with you the basic reasons for this new program.

These reasons are to be found in problems facing the world. They are to be found in new conditions prevailing here in the United States of America.

#### The Threat of Hunger

The worldwide problem, only recently commanding widespread public attention, has been highlighted as a race between population and food supply. There can be no better tribute to the breadth of vision and the high sense of responsibility of this Committee, Mr. Chairman, than the fact that you have devoted your first week of hearings to testimony on the nature and magnitude of this problem from some of this Nation's most distinguished and competent authorities.

You have heard lucid and compelling descriptions of the population explosion that has come upon us only recently as death rates in developing countries have sharply declined.

You have heard how millions of lives that have been saved by successful public health measures are now threatened by hunger. Improved food production in these countries has not kept pace with increased needs.

You have been told of the urgent importance of policies and measures to control population growth in the developing countries. But even if such policies succeed as well as can be reasonably expected, there will remain an urgently critical need for food for at least one or two decades ahead.

Some of the authorities to whom you have listened have been less pessimistic than others. But all who have given serious study to the problem are agreed that unless present trends are altered much of the world will face famine of massive proportions within the next two decades.

Those trends, therefore, must be changed.

President Johnson, in his messages on foreign aid and on education and health, expressed this Administration's determination to offer help to those countries that seek to develop effective programs of population control.

And, in his message on Food for Freedom, the President charted the course for help to those countries determined to become more self-reliant in providing enough food for their people.

If these policies and programs are adopted, and if the developing nations will do their part, the trends that forecast the dark shadow of famine can be reversed.

The population trend can be altered downward.

The food production trend can be altered upward.



It is with the latter that we are primarily concerned today. We are concerned with it in terms of its import for a world in which peace and freedom can prevail. And we are concerned with it in terms of its meaning for American agriculture.

#### U.S.D.A.'s Concern

Long before American newspapers and magazines publicized world food needs in black headlines with even blacker forecasts, the Department of Agriculture was seriously concerned.

For more than a decade the U.S.D.A. has been involved in helping to meet the food needs of some 70 countries under Public Law 480. True, the extent to which our agricultural abundance could be used for this purpose was measured by that which could be termed "surplus". Yet the \$14 billion we have spent in providing food and fiber to developing nations have done more than any other program in history to avert hunger, malnutrition and famine.

Our P. L. 480 program has been increasingly directed toward encouraging economic development. We have consistently used our agricultural surpluses for assistance to developing countries to the maximum extent feasible under existing conditions at home and abroad.

Five years ago, when I assumed the responsibilities of this office, one of my major concerns was to insure that the unparalleled productivity of our American farms would be used most effectively -- not only to provide a fair reward to the American farmer and abundant supplies to the American consumer -- but also to alleviate hunger and want in less fortunate countries. I have never been able to accept the idea that there was any real surplus, in human terms, as long as human beings, even on the other side of the globe, suffer for want of food and clothing.



One of my first inquiries, back in 1961, was for an assessment of the extent of the need in the years immediately ahead. When I found that there was no ready answer I requested the Economic Research Service to make a careful study of world food needs. In October 1961 we published the World Food Budget, 1962 and 1966.

This provided our first comprehensive study of world food needs. It helped to guide our programs to expand commercial markets for the products of American farms. It helped us to plan exports under our Food for Peace program. It highlighted the opportunity for using food abundance to help build self-sustaining economies in countries receiving food aid.

This effort was only a beginning. In October 1964 we published the World Food Budget, 1970. This study presents the results of an expanded effort to examine the supply and utilization of food commodities throughout the world. It assesses world food needs and highlights the food deficit that prevails in two thirds of the world. It evaluates the possibilities of closing the food gap. And it outlines the problems involved in that effort.

In its closing paragraph, the World Food Budget, 1970 presents the following conclusion: "While U.S. food aid will likely continue to play an important role in helping developing countries meet emergency needs and achieve more rapid economic growth, food aid is at best a temporary and inadequate measure. Higher food production is the only permanent way to overcome the food gap in most diet-deficient countries, although in some countries, development of non-farm resources will result in foreign exchange earnings that can be used to pay for commercial imports of food."

#### President Johnson's Charge

A few months after the publication of the World Food Budget, 1970, President Johnson presented his 1965 farm message to the Congress. He

said then:

" . . . The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

" . . . we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land-grant colleges and state universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

"I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals."

These were the guidelines under which we have carried out studies to determine what legislation ought to be proposed as the current Public Law 480 expires at the end of the year. We studied the question in cooperation with the Agency for International Development and other agencies and departments concerned. The President's recommendations for a new bill are made in the light of two major changes that have taken place since P. L. 480 was enacted back in 1954.

#### Food Needs Increase Sharply -- Surpluses Decline

The first of these changes I have already noted. The world situation in terms of food needs is much more alarming today than it was twelve years ago.

The second change arises out of the success of our domestic farm commodity programs. With the legislation you enacted last year, and the laws already on the books, we have succeeded in supporting farm income while gradually eliminating unwanted surpluses. We now expect that within a few years available stocks of most agricultural commodities will have declined to a level no higher than need for an "ever-normal granary." It is therefore

no longer possible to envisage an effective program of food aid based on "surplus" commodities.

Our first task in developing a new program to meet these changes was to examine, in as specific quantitative terms as possible, the extent of food needs that can be expected to occur in aid-recipient countries in the years immediately ahead. In this task we built on the information that has been brought together in the World Food Budget, 1970, but we projected our estimates forward to 1975 and beyond. We then related the needs thus projected to America's capacity to produce.

#### Measuring the Food Deficit

In estimating the magnitude of the food gap we used grain as an indicator to simplify our projections. On the production side we based our assumptions on a continuation of recent trends in grain production in the developing countries -- rising at a rate of about 2.6 percent annually, barely keeping up with population growth.

On the consumption side, however, we recognized that recent trends are unacceptable. Per capita consumption -- now averaging ten percent below minimum standards -- has been increasing only about one third of one percent a year. At this rate it would take three decades to bring the calorie content of consumption up to bare minimum standards.

This rate is clearly unacceptable to the hungry nations themselves.

It is morally unacceptable to us.

We therefore based our estimates on a more acceptable target that is within reach -- the achievement within one decade of an average per capita consumption that would meet minimum standards.



We have prepared a chart that shows graphically the most important fact about our projections. On this chart the solid black line represents the food gap for aid-recipient countries on the basis of: (1) a level of food consumption that would reach minimum standards by 1975; (2) domestic food production in these countries continuing to increase only 2.6 percent a year, as under current trends; (3) population growth as projected according to United Nations medium estimates.

If agriculture in these countries fails to improve any faster than this they would experience very little over-all economic growth -- because so large a proportion of their total output comes from the agricultural sector. This means that these countries could not afford to pay for imports of food to fill that gap. It would have to be provided by food aid. Let's look at the magnitude of that food aid.

Beginning at a little over 18 million tons, it would reach 25 million tons by 1970, 42 million tons by 1975, and 62 million by 1980.

#### Can U.S. Food Fill the Gap?

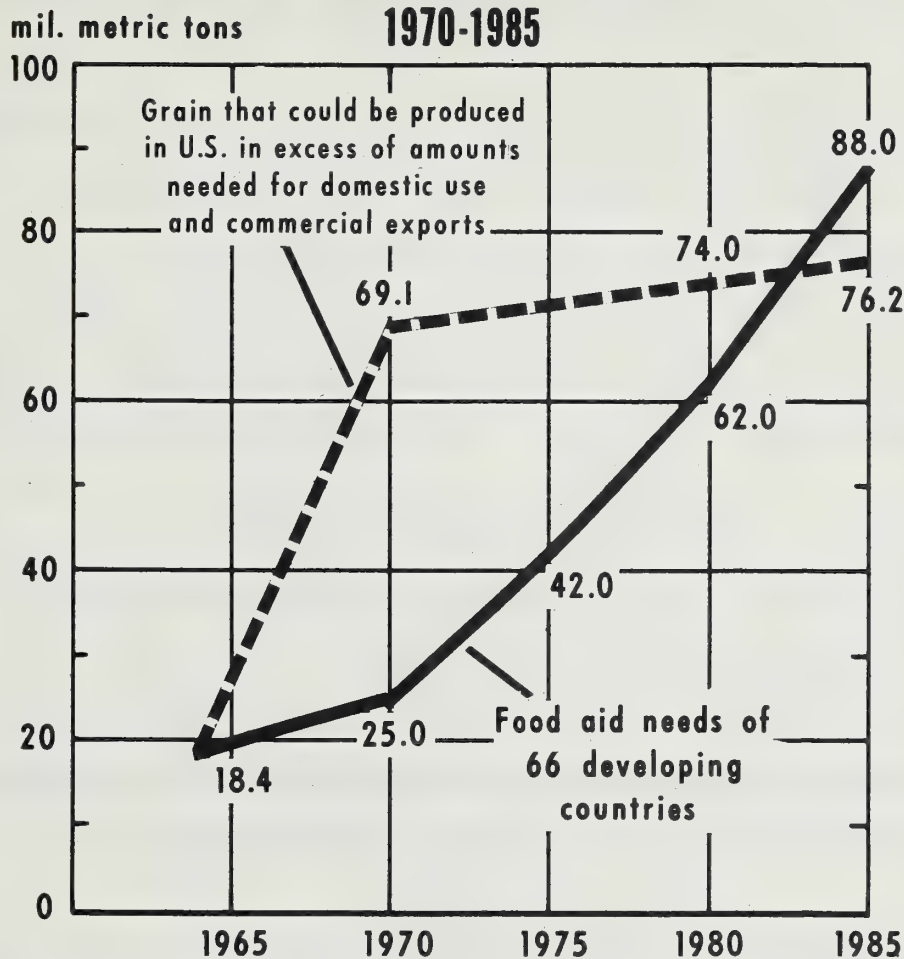
Now let's turn to the broken line. This represents the amount of grain that would be available for food aid -- over and above all domestic uses and commercial exports -- if American farmers were to bring back into production all of the acres now diverted. This line is based on expected yields under current price levels, and therefore represents more feed grains than wheat, even though wheat is most useful as food aid.

This chart assumes that if diversion programs were ended all diverted acres would probably be back in production by 1970. That accounts for the sharp rise in availability shown on the chart for that period. After 1970 the more gradual rise represents an expected increase in yields per acre.

If we were to follow this pattern, by 1970 we would be producing 44 million tons more than food aid requirements. By 1975 we would still have an annual surplus of 30 million tons. (Where would we put it?) By 1980 there would still be a small annual surplus.



## U.S. Availability of all Grain for Food Aid and Food Aid Needs of 66 Developing Nations,



But the point at which the lines cross signifies the onset of disaster. By 1985 there would be no way to fill the gap. As President Johnson said in his Food for Freedom message, "the time is not far off when all the combined production, on all of the acres, of all the agriculturally productive nations, will not meet the food needs of the developing nations -- unless present trends are changed."

This disaster cannot be averted by calling back into production all of

our diverted acres and shipping the surplus to the hungry world. It is true that we could put these acres back into production. We could use them to produce some 60 million more tons of grain for use in food aid programs. If our commodity programs were adjusted so that at least two thirds of this grain would be wheat (which now constitutes nearly 90 percent of our grain shipments under P.L. 480) the cost would be at least \$2 billion higher than present programs. (This is assuming that we would maintain farm income at its present level.) This estimate does not include the high cost of constructing in recipient countries the port and related facilities that would be necessary to handle such an increased volume of food aid.

But even at this cost we could only postpone the disaster for a few years. The greatest cost would be the lost years -- the years during which those massive amounts of our grain would serve as a "crutch" -- as a deterrent to delay action on the part of recipient countries to help themselves. We would be contributing to, rather than working to prevent, that disaster.

#### Only One Solution

The disaster can be averted in only one way -- by greatly accelerating the expansion of food production within the hungry nations themselves.

There is no time to be lost. The hungry nations are faced with a tremendous task in increasing their agricultural productivity. Those most densely populated will have to do it the hard way by increasing yields, for they already have under cultivation most of their available acres.

Their efforts to increase yields face many serious roadblocks. Some of them even lack sufficient government stability for the establishment of effective policies. Most of the lack incentives adequate to make it worth while for farmers to make any great effort to produce more. They face low rates of literacy, lack of know-how, and the absence of means by which to help farmers to use new and better methods. Essential purchased inputs (fertilizer and other

chemicals, machines and tools) are scarce, and the hungry nations have little foreign exchange with which to buy them. Lack of roads, marketing facilities, farmers' cooperatives and sources of credit are other handicaps. Most of them are in tropical regions where agricultural research and technological advance lag far behind that which has developed in the temperate regions of the world.

With all these handicaps, these hungry nations will need to increase their agricultural productivity at a rate higher than that ever achieved by the agriculturally productive nations. Clearly the task can not -- must not -- be delayed.

#### Helping Nations to Help Themselves

This is why the Food for Freedom program places highest emphasis on self-help.

We can and will provide technical and capital assistance to help those countries that under take effective programs to increase their own ability to provide food for their people.

We can and will help to fill the gap in their food and fiber needs as they pursue those self-help efforts, and until they reach a level of self-reliance where they can either produce or buy what they need.

The task is difficult, but not impossible.

The Department of Agriculture has studied in detail increases in agricultural productivity over the years 1948 to 1963 of 26 developing countries, some in each of the major geographic regions of the world. Twelve out of the 26 have increased their agricultural production at annual compound rates of more than 4 percent per year. This surpasses rates ever achieved by the now economically advanced nations over comparable periods of time.

Many factors have contributed in varying degrees to their success. The twelve countries differ widely in climate, literacy rates, land resources, culture



and governmental systems. They had only one factor in common -- a national determination to carry out self-help policies to improve their food production.

With similar determination and with assistance from highly developed nations other countries can do as well. An annual average increase in agricultural production of 4 or 5 percent would go a long way toward defeating hunger in the decade ahead.

The Food for Freedom program is directed toward that goal. It is directed also toward one aspect of that goal that deals with quality as well as quantities of food.

One of the most serious manifestations of hunger in the developing nations lies in nutritional deficiencies, particularly the lack of proteins and vitamins, among infants and young children. It is estimated that in the developing nations of the free world some 171 million children under six years of age and 98 million between the ages of six and fourteen suffer seriously from malnutrition. Millions die because malnutrition has sapped their resistance to childhood diseases. Millions who survive are permanently handicapped, physically and or mentally. Progress in education as well as the nation's capacity to carry on vigorous economic development are seriously retarded by the degree of malnutrition that prevails in many parts of the world.

Today we know how to meet such nutritional deficiencies. We have developed new methods by which essential food requirements can be produced and processed at low cost. In the Department of Agriculture we are stepping up our own activities to meet the problem of malnutrition.

Other agencies of the U.S. Government are also attacking this problem. The A.I.D. is already fortifying donations under its P.L. 480 programs. I know that you will hear more about this aspect of the war on hunger when Mr. Bell presents his testimony.



War on Many Fronts

Our Government is mobilizing for the war on hunger on many fronts. One of these fronts was described by President Johnson in his message on Foreign Aid. He proposed that the Agency for International Development increase its effort in the field of agriculture by more than one-third, to a total of nearly \$500 million. One-third of this total will finance imports of fertilizer from the United States. The remainder will finance:

- . . transfer of efficient farming techniques;
- . . improvement of roads, marketing and irrigation facilities
- . . establishment of extension services, cooperatives and credit facilities;
- . . purchases of American farm equipment and pesticides;
- . . research on soil and seed improvements.

I am sure that Mr. Bell will emphasize the importance of this effort to assist these nations to help themselves.

The President's message on health and education likewise offers intensive new programs, many of which will either directly or indirectly benefit the agriculture of the developing countries and help to win the war on hunger.

The Food for Freedom Act

You in this Committee are now taking under consideration a major front in this war. Two companion bills are before you, one to authorize a new five-year food aid program to replace P.L. 480 when it expires on December 31, 1966, and one to provide for an "ever-normal granary" by setting up commodity reserves.

The Food for Freedom Act of 1966 has two new features of utmost importance.

Food Aid Linked to Self-Help

The first is the emphasis on self-help. This principle is referred to four times in the bill itself. It becomes an integral part of our food aid program.

This link between self-help and food aid is essential to economic progress and growth in recipient countries. Instead of becoming increasingly dependent upon the United States they can build toward the freedom that comes only with self-reliance. Instead of an economy whose growth is seriously held back because the great majority of the people in rural areas are still outside the market economy, the recipient nation can look forward to the over-all economic progress that follows when agriculture becomes more progressive and prosperous. Only when farm people begin to both buy and sell will these countries really begin to move their economies forward.

The link between self-help and food aid is likewise important to the people of the United States. Paradoxical as it may seem, agricultural development in the poor and hungry nations offers to us the best opportunity for expanding exports of the products of our farms and factories.

We know that economic development is the basis for expanded commercial trade. We have seen proof of that many times in recent years as we have observed how dollar sales of U.S. farm products have climbed in countries where economic growth is taking place most rapidly. For example, dollar exports of U.S. farm products in the five fiscal years, 1961-65, increased over the five years 1955-59 by 16 times in Greece; by 13 times in Taiwan; by 10 times in Spain. They almost doubled in Israel, and increased by one and one half times in Hong Kong. We have further observed that for every 10 percent increase in incomes in developing countries we can expect their imports of our agricultural products on commercial terms to increase by 16 percent.

And since economic development in the hungry nations depends so much on increased agricultural progress, it is only by hastening that progress that we can

hope to begin to tap the great potential market that lies dormant in the under-developed world.

Finally, the link between self-help and food aid is of paramount importance because it is the only way to insure victory in the war against hunger. By means of this link, food from American farms today can help to insure that, by that time in the future when needs would be so great they could not possibly be met by American productivity, productivity in the developing world will have increased enough to meet the need. It is only by this link with self-help that American food aid can make its major contribution to banishing famine from the face of the earth.

#### End of "Surplus" Concept

The second new feature of importance in the Food for Freedom Act is the elimination of the "surplus" requirement. Commodities to be furnished would be those determined to be available by the Secretary of Agriculture, taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial exports and adequate carryover.

Food for Freedom needs would be taken into account by the Secretary when he exercises his responsibilities under domestic farm programs. These programs are flexible enough so that production can now be geared to potential use. They will be administered so that American agriculture will produce enough food and fiber to meet domestic needs, commercial exports, food aid for those developing countries that are determined to help themselves, and reserves adequate to meet any emergency and to insure price stability.

Commodities available to food recipient countries will no longer be as limited as they have been in the past. The commodity "mix" sent abroad under concessional programs will be geared to the kind needed rather than circumscribed by the kinds held in stocks. We can expect the trend to be in the direction of commodities with special nutritional values.



Other features of the Food for Freedom Act reflect the best provisions of Public Law 480.

Emphasis on expanding international trade and building markets for American farm products is continued, with special emphasis on the long-term development of markets expanding under the impact of economic growth.

Financing will continue under the Commodity Credit Corporation.

Private trade channels will be used to the maximum extent practicable.

Usual marketings will continue to be safeguarded.

Donation programs through voluntary agencies will continue.

There will be increased emphasis on combating malnutrition

both in terms of selection of the commodities and in the

authorization of the CCC to finance the enrichment of foods.

In the proposed act all sales, whether for foreign currencies or for dollars on credit terms, are placed under Title I. The policy is established to shift from foreign currency sales to dollar credit sales at a progressive rate, so that the transition can be completed by December 31, 1971, except for U. S. requirements for foreign currencies.

All donation programs will be under Title II of the act. Donations are authorized for such purposes as to meet emergency food needs, to provide food-for-work community and economic development programs and to carry out the U.S. pledge to the World Food Program.

Title III provides for uses that may be made of foreign currencies that accrue from foreign currency sales. Among the authorized purposes are: To finance U. S. expenses abroad; to develop new markets for U.S. agricultural commodities; to procure equipment for common defense;



to promote economic development; to finance educational exchange programs; to make Cooley loans; and to finance research. Any U.S. agency having authority to operate abroad can use those currencies to carry out its programs.

I know you will study this bill carefully. I will be glad to go over it with you to answer any specific questions you may have.

#### Food and Fiber Reserves

The companion bill recommended by the President would authorize establishment and maintenance of reserves of farm commodities. This bill is important to the people of the U.S. as consumers, to our customers abroad, and to those developing countries who must depend on our food for a few more years.

For many years, the need for such reserve policy has been overshadowed by concern with excessive supplies of agricultural products. But wise legislation, improved administration of our farm programs and increased foreign demands have now depleted the stocks of most farm commodities. We do not want to permit the inventories of key food commodities to decrease to the point that we cannot meet our domestic, export and Food for Freedom commitments and still have a safeguard against an unforeseeable increase in demand or an unexpected reduction in supply.

The bill would authorize the Commodity Credit Corporation to establish and maintain reserves of agricultural commodities primarily to assure a continuous, adequate, and stable supply to meet domestic requirements at fair and reasonable prices, and also to meet the requirements of commercial exports, domestic food programs, and the Food for Freedom Program.

The commodities to be reserved and the reserve quantities for each marketing year would be determined by the Secretary of Agriculture after consultation with other interested agencies such as the Departments of Defense and State. They would be announced in advance of the marketing year. The Secretary would be authorized to adjust support prices, acreage allotments and marketing quotas to achieve the production necessary to establish and maintain reserves. Commodities in the reserve would be available for disposal through sales, barter, donations, or redemption of payment-in-kind certificates.

Such a reserve is not a new idea--it was the basic principle of the ever-normal granary. In periods when supplies exceed expectations and needs, we set aside a reserve for periods of unusual demand or a short crop.

Actually, public concern over reserve levels for agricultural products goes back nearly 15 years, to a report entitled, "Reserve Levels for Storable Farm Products," published in 1952 as Senate Document Number 130.

Department specialists estimated at that time that a reserve of 350 million to 400 million bushels of wheat held by CCC, in addition to normal working stocks of around 100 million bushels held by the trade, would have been sufficient to offset the effects of one serious drought year followed by a moderate drought year.

For corn, and other feed grains, a reserve supply of 700 to 800 million bushels would have been sufficient, in addition to normal working stocks of around 300 million bushels held in trade channels.

Since that time, we have done additional research on this problem, much of which contributed to the 1964 report of the National Agricultural Advisory Commission on the subject.

Under present law, the Commodity Credit Corporation is under a mandate to dispose of its stocks as rapidly as possible consistent with its price support program and orderly market. The proposed legislation would permit us to stop short of total disposition of our inventories, to use the reserve to meet priority needs, and to encourage production of those items for which larger reserves are needed.

Wheat and dairy products offer current examples of how this authority might be used. Our wheat stocks will have been reduced to about a reserve level by next June 30. We have advised spring wheat growers that there will not be a program to reduce 1966 acreages below allotments. If it appears by mid-year that the June 30, 1967, stocks will be below reserve needs, we may wish to increase wheat allotments by enough to build our stocks to reserve levels by mid-1968.

Dairy products are currently in short supply. We have virtually no inventory, although we expect to acquire some products again this spring. We have already announced our offer to purchase dairy products for school lunch program at market prices above support levels. Under this bill, authority would be provided to take actions to build up reserve stocks if that course of action seemed to be required to assure adequate supplies and stable prices.

CCC inventories of rice, fats and oils, and non-fat dry milk, are presently low, but some of these commodities may be increased as a result of 1966 production.

To the extent possible, reserve commodities would be maintained as a part of the Commodity Credit Corporation's overall inventory for the particular commodity without individual lot specification. Government-owned



stocks of reserve commodities in most cases would be stored under existing Commodity Credit Corporation storage contracts, and handled in the same manner as price support commodities--utilizing the usual and customary channels of trade. Reserve inventories would be stored in or as near the area of production as possible so as to minimize the cost of transportation and handling and to permit greater flexibility in making dispositions.

Our aims would be to use the reserve agricultural commodities in the national interest. Under emergency conditions, the nature and extent of the emergency would dictate the disposal procedures to be followed. Under normal circumstances, dispositions from the reserve would be made under procedures now used for disposition of Commodity Credit Corporation price support inventories. We would plan to announce our procedures as far in advance as possible, so that producers and the trade could make their plans for the year.

This is an important bill at a crucial time. We need it to protect our consumers at home. We may need it to meet commitments abroad.

It will supplement the Food for Freedom program.

#### The Operation of the New Program

In many ways, the new Food for Freedom program will operate in a manner similar to the operation of our Food for Peace program under P.L. 480. But the new legislation, designed to meet new conditions and urgent needs in the years ahead, will call for some significant modifications in the operation of the program. We expect that these will evolve with experience. But I know you are interested in our expectation as to how the new features of the program will be implemented. I will try to summarize some of the highlights of these new features.



### Greater Responsibility

Food for Freedom programs and domestic farm commodity programs, while not dependent upon each other, must complement each other. This will add to the responsibility of the Secretary of Agriculture, who will be called upon to administer commodity programs in a manner that will assure the availability of commodities needed for food aid as well as to meet all domestic requirements and commercial exports.

Our commodity programs are flexible enough for us to meet that requirement, especially when buttressed by legislation for the establishment of commodity reserves. We expect that quantities needed for food aid may increase in the years ahead. As needs increase we can call back into production some of the acres now diverted.

Obviously, if this is to be done responsibly and effectively it will require more forward planning, a more careful evaluation of prospective needs and probable supplies, than was required when food aid was generally limited to "surplus" commodities. The resources and procedures of the Department of Agriculture, as well as those of the Agency for International Development, for estimating needs on both a short- and long-range basis will need to be expanded. The Secretary of Agriculture will need to take into account the foreign policy aspects of food aid and the degree of success of self-help efforts in recipient countries before he can make final determination about commodity programs.

### Adaptation of Existing Interagency Procedures

A higher level of interagency coordination will be further implemented by adapting existing interagency operating procedures that have worked well under the old program.

Coordination under P.L. 480 has been carried out through the Inter-agency Staff Committee, on which representatives of Agriculture, State, AID, Defense, Treasury, Commerce, and the Bureau of the Budget meet under the chairmanship of the U.S.D.A. I would expect something like this interagency structure to continue, but that its increased responsibilities would enhance its importance.

#### Closer Coordination of Food Aid with Other Assistance Programs

The new Food for Freedom program contemplates closer coordination of food aid with other assistance programs directed toward food and agriculture in recipient countries. President Johnson, in his message on Food for Freedom, emphasized the need for a unified effort. He said: "To strengthen these programs our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together even more closely than they have in the past in the planning and implementation of coordinated programs."

The Department of Agriculture and the AID have for several years been developing closer working relationships with each other in the food aid part of U.S. assistance programs. But the kind of unified effort to which the President referred means that Agriculture will also be called upon to participate in the planning of agricultural assistance activities and in reviewing the progress made in agricultural development.

This means that we are called upon to develop closer interagency operating relationships that will involve the Department of Agriculture in a shared concern for -- not only the food component of assistance programs -- but also that part of economic assistance that relates to self-help in the agriculture related sectors of developing nations.

This planning is primarily the responsibility of the AID. In discussing this problem with the Administrator, Mr. Bell and I have agreed that both the AID and the U.S.D.A. could carry out their respective responsibilities most constructively if representatives of the Department of Agriculture accepted AID's invitation to participate in the planning -- particularly for those major aid-recipient countries where problems of food and agriculture are of critical importance.

Specific procedures will be worked out under which such participation in agricultural planning can be carried out effectively. Through such participation the Secretary would be currently informed about the level of success of self-help efforts, and of needs which Agriculture might be called upon to meet.

#### Increased Technical Assistance from U.S.D.A.

President Johnson also pointed out that AID's policy of "calling upon the Department of Agriculture to assume increasing responsibilities through its International Agricultural Development Service" would "become even more important as we increase our emphasis on assisting developing nations to help themselves."

Mr. Bell has indicated his hope that the U.S.D.A. will be increasingly helpful in this area. We have just signed a new interagency agreement under which AID seeks to "enlist as fully and effectively as possible on a partnership basis the pertinent resources of the Department in planning, executing and evaluating those portions of the foreign assistance program in which it has special competence." Under this agreement we expect to expand U.S.D.A.'s participation through Participating Agency Service Agreements with the AID.



The Department of Agriculture will thus become increasingly involved in providing technical assistance in agriculture and related fields. We will be able to, as the President said, "extend to world problems in food and agriculture the kind of cooperative relationships we have developed with the states, universities, farm organizations, and private industry."

#### Effective Encouragement of Self-Help

The new Food for Freedom program can truly be an instrument under which the millions of lives that are now threatened by famine under present trends can be saved. But this will result only if it proves effective in changing those trends by stimulating, encouraging, and -- if necessary -- insisting on effective self-help measures. This may mean agreements for no longer than one year, with provisions for periodic reviews of progress made toward self-reliance.

#### A Forecast

I should like to conclude this testimony by sharing with you my own forecast of the course of this new war against hunger, -- a view of the potential outcome of the frightening race between population and food supply.

I make this forecast in the light of another explosion that has taken place in our generation, -- one that can hold far greater meaning, and that certainly holds far greater hope, than the explosion of population. I refer to the explosion of knowledge that characterizes our times.

Science and technology have progressed so far that it is now physically possible to produce enough for abundance for all.

But science and technology have likewise progressed so fast in the physical and material fields that our knowledge about the social, economic and political relationships necessary to realize that abundance has not caught up.



This gap lies behind one of the most significant statements that I find in the World Food Budget, 1970: "The race is not so much one between population and food supply but a race between what could be done and what will be done."

What could be done has been largely determined by scientific and technological progress.

What will be done can be influenced in a large measure by how you, in this Committee, take the lead in launching an all-out war on hunger by passing the Food for Freedom Act of 1966.

Under this Food for Freedom program, I foresee, in the years ahead:

- a likely increase in our food aid programs, as they are used to meet the deficit in developing countries making a major effort to increase their own food production.
- a consequent corresponding increase in American farm production, responsibly carried out under our flexible farm programs. As I see it, some, but not all, of our diverted acres will be needed in the years immediately ahead.
- a gradual shift from aid to trade, under which our declining exports for Food for Freedom would be more than made up by increasing exports on commercial terms. These increased exports for dollars would be a product of the development that our food aid had helped to bring about.

-- as agricultural progress would stimulate accelerated economic growth in the developing nations I would hope to see higher standards of living, rising incomes, and a growing volume of international trade. As poverty, dependence and insecurity decline, and as more of the developing nations become able to stand on their own feet and enter the international commercial market, I would expect a more rational pattern of international trade to develop. That would mean, for the American farmer, a very substantial increase in our exports of those commodities for which we have a real comparative advantage.

Most important of all, I would look forward hopefully to a future of peace and freedom, where

-- peace would be more secure

-- and freedom more widely cherished

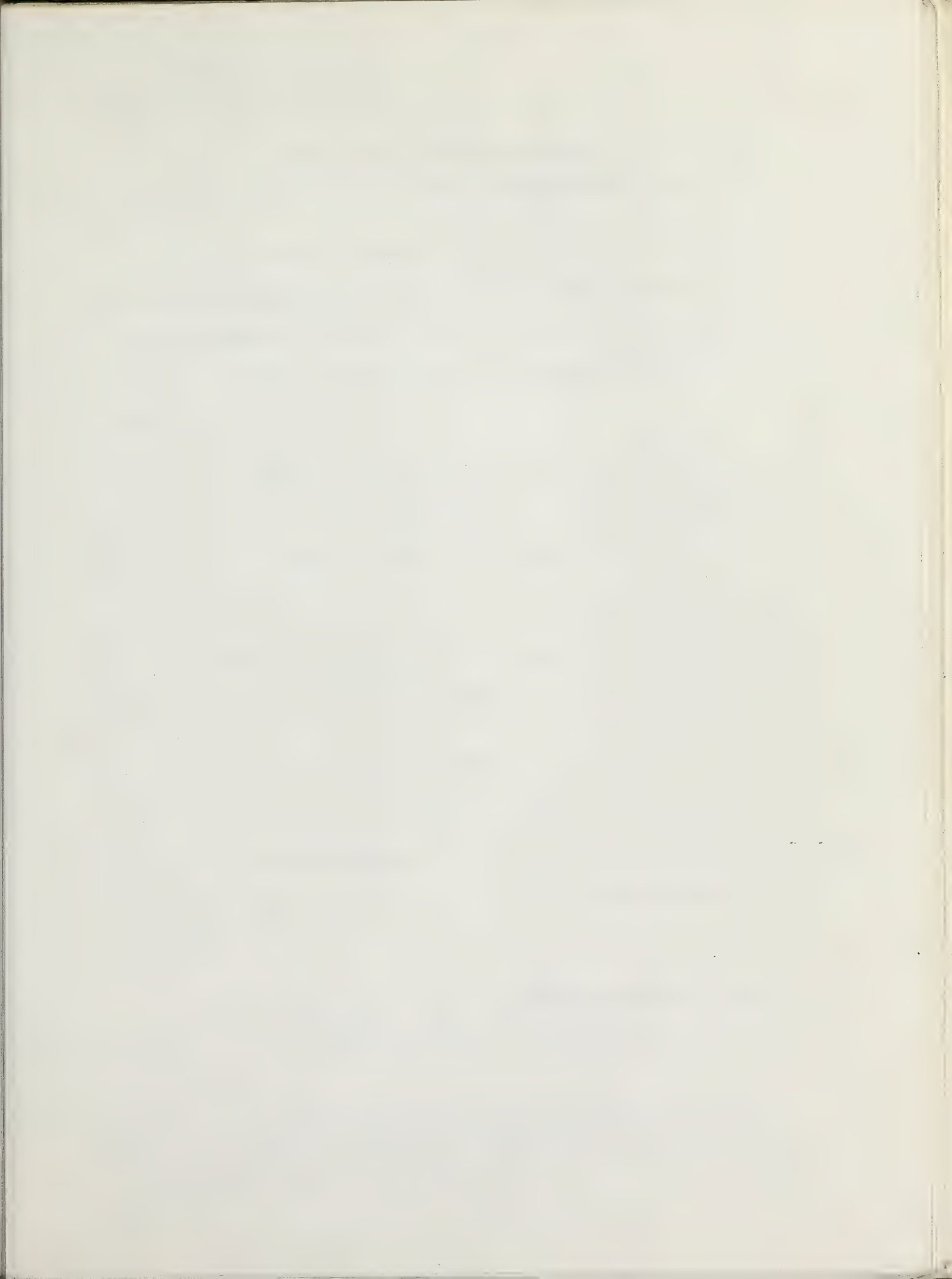
because the fear of hunger no longer threatened the people of any nation.

The Food for Freedom program proposed by President Johnson less than two weeks ago is directed toward that goal. Its appeal has already aroused deep interest around the world.

I have seen cables and reports telling of that appeal. I have personally seen the hope that kind of program offers to the peasants in Vietnam.

The United States of America today has an unparalleled opportunity to use its abundance to the benefit of all.

Mr. Chairman, and Members of this Committee, the bill -- and the opportunity -- are in your hands.



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When a scientist named Justus von Liebig was just 14 years old, he blew the roof off a drug store in Heppenheim, Germany.

This explosion, the result of the boy's secret experiments with fulminate of mercury, discouraged the druggist from keeping him on as an apprentice. But being fired didn't destroy young von Liebig's interest in chemistry and plant life. He continued his studies, his experiments.

They led him to the discovery of phosphate and potash in the ashes of burned plants, and ammonia in their vapors. He put all three into barren ground, and made it a wonder of fertility.

"There will be a time," he said, "when the fields will be fed with substances produced by chemical industries, and containing the substances indispensable for plants."

History has treated few prophets more kindly.

Justus von Liebig was born in 1803, and when he died at the age of 70, the United States Department of Agriculture was only 11 years old -- but already deeply involved in basic and applied research.

I know of no legend which claims USDA researchers began by blowing the roof off a grocery store, a dairy barn, a grain bin or packing plant.

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Address by Secretary of Agriculture Orville L. Freeman during Symposium On Research In Agriculture, Airlie House, Warrenton, Va., Thursday, February 24, 1966, 12 noon (EST).

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They have, however, triggered many of the explosions which mark revolutionary changes in the physical environment, the food and fiber production and utilization patterns, and the social and economic aspects of American life.

I welcome the opportunity to discuss with leaders of the science community the role of research in the missions of the Department of Agriculture -- but first:

Let me express my very deep gratitude to Dr. Seitz and the National Academy of Science for joining the Department in sponsoring this Symposium on Research In Agriculture, and...

Thank all of you for your participation.

The Department of Agriculture and its research services are honored by your presence, inspired by your interest, enriched by your cooperation.

I am not, as you know, a scientist -- unless it can be held that practical politics and government administration hold a place on the fringe, if not actually in the field, of science.

I can measure the b.t.u.'s of a public issue without a thermometer, but I cannot regulate the flame of a bunsen burner with any degree of skill.

I can analyze the generation of turmoil in a political party convention far better than that resulting from combinations of chemicals in a test tube.

(more)

I can read between the lines of a Gallup Poll, but not between specimens under a microscope.

And I react more quickly to the theory of votability than to the theory of relativity.

So allow me, then, to paraphrase Voltaire:

I may not fully understand how you do what you do, but I shall always be grateful for the fact you do it -- and do it well.

For without research the politician, the public official, would function constantly in a vacuum....because it is research that both asks and answers the questions related to public policy and program determinations.

Does it need doing? Can it be done? If it can be accomplished in a variety of ways, which method should have priority? How can it be kept in balance with other policies and programs? What type of administrative structure will be required? How is it related to the various States, to other agencies of Federal government, to private industries and institutions? What will happen as a result of the action or actions taken?

I have found these questions and the search for answers applicable across the vast range of the Department of Agriculture's operations --

whether it be in finding, as USDA did, a faster and more economical method of producing penicillin....

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encouraging an environmental adjustment that will solve, in major degree, the population pressures of cities and the under-utilization of both natural and people resources along the countryside....

encouraging, and maintaining, abundant production of food and fiber while moving toward the economic goals of parity of income opportunity for farm families and fair prices for consumers....

protecting food purity and quality, developing new products and new and better distribution, marketing and processing systems....

cooperating in the public welfare field with direct distribution of foods to needy families, participation in school milk and lunch programs, and food stamps....

protecting, developing and expanding the multiple-use of natural resources on public and private lands....and,

helping the food-deficit Nations of the Free World take the lead in the war of liberation from hunger and malnutrition through the improvement of their own agricultural production plants.

I would hesitate, without strong and versatile research arms, to attempt to carry out these and other missions that the people, the Congress and the President have assigned -- and will continue assigning -- to the Department of Agriculture.

As I pointed out earlier, the Department of Agriculture was engaged in research long before any of us was born -- and for 99

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years before I became its Secretary. Consequently, I can point to its research performance with pride without being self-serving.

The first major support provided to research by government was in the field of agriculture. And as recently as 1940, when the Federal government began broadening its research and development support to a total of \$74 million, agriculture research received two-fifths of the outlay.

A quarter of a century later, in fiscal 1965, Federal support for agricultural research alone exceeded the entire 1940 expenditure -- amounting to \$231 million. But instead of two-fifths of the total research and development budget, Agriculture has 1.5 percent of it. By that time Defense was being awarded \$7 billion... NASA \$4.9 billion...the Atomic Energy Commission \$1.5 billion...and HEW \$813 million.

I do not cite those figures to call attention to the fact Agriculture's share of research and development appropriations has declined in relationship to the total Federal expenditure -- but rather to emphasize that, as a pioneer in the field, Agriculture perhaps deserves some credit for creating a favorable climate for expanded governmental interest and investment in research. In other words, agricultural research -- since 1862 -- had been demonstrating to the people and the Congress they were getting something for their research money.

Our government has not only used the Department of Agriculture as a trail-blazer in research, but in tying research to

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education through the Land-Grant Colleges, and then carrying knowledge to the rural community through Extension Services....thus providing, in fact, a working model for the transition of science into technology.

Out of this combination of basic and applied research, of education and extension, has come in substantial measure the greatest food and fiber production plant the world has ever known....great in the skills and judgements of its operators....great in the volume and quality of its output....great in its potential for perpetuating the era of abundance.

American agricultural development is, indeed, one of the miracles of this century.

It was when we freed more and more people from the task of producing food that we made our human resources increasingly available for an ever-widening range of activity in industry, commerce, education, science and culture.

It was when we began making an adequate supply of food an ever-decreasing drain on family incomes that Americans could increase their investments in living well beyond buying their daily bread.

Look at what has happened:

Today one farm worker provides food and fiber for 35 other persons. A century ago he met the needs of just five others, and as recently as 1950 only 15.

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In 1950 American families were spending about 25 percent of their take-home incomes for food. A decade later it was 20 percent. In 1965 it was an all-time low of 18.5 percent. Continued advances in production and marketing efficiencies, and in consumer earnings, are expected to bring further cuts in family food outlays -- to about 17 percent of take-home pay in 1970, 15 or 16 percent in 1975.

Meanwhile, average realized net income per farm reached a record high in 1965 and our farm families are well on their way to parity of income opportunity with their urban neighbors -- a development which, in turn, improves the tone of the total economy.

Important as it is internally, this production miracle is even more vital this year -- and in the years ahead -- as an export item while the world accelerates mobilization for an all-out war on malnutrition, hunger....even famine...in its widespread food-deficit sectors.

We have the knowledge accumulated through research and its application, we have the experience in grass-roots educational programs, and we have the food....all the weapons essential for leadership in helping less-developed Nations help themselves achieve the ability to grow -- and to buy -- enough food for their families.

This is a task that has captured the hearts and the imaginations of our people. It was blueprinted by President Johnson in his inspiring...yet studied and realistic...Food for Freedom Message to the Congress. And now legislation in support of the Food for Freedom program is being hammered out by the Committees of Congress.

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A few weeks ago I visited the fighting front -- and the farm front -- of South Vietnam. I saw efforts to protect freedom, and to produce food, going on side by side. Agriculture is the key to freedom's victory in Vietnam. Fertilizer is just as important as bullets in the winning of that war.

We must fight in Vietnam. And we shall fight until its people have the right to determine in their own way the type of government under which they shall work and live. Yet military wars come to an end. The battle against malnutrition, hunger, and related mental and physical health hazards is endless -- new victory is demanded every year.

There can be no great love of country, nor firm loyalty to its institutions, in a human heart that beats above an always-empty stomach.

There can be no genuine economic growth future in a Nation over-populated with children whose bodies are thinned, eyes glazed, minds dulled by malnutrition. And even though there are -- at least in the judgement of those not their parents -- too many of them... these children are in our world, now, and the world must, as Pope Paul pleaded, find them a place at the table. Population control cannot be retroactive.

We can and we shall use our food, or productive resources, and our know-how to help the farm families and the agribusiness structures in those developing Nations where production is now losing the race with need.

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But our food can only support -- not substitute for -- their own efforts.

A successful war against hunger and want has its roots in research and education. Unless our food supports research and education aimed at making the agricultures of developing Nations grow and support their total economic development, history will rule it wasted.

The Indian boy who eats American wheat today still must eat 10 years from now -- and provide food, at that time, for his own children.

Over a span of a hundred years, agricultural research has asked many questions, answered many, and in the process has raised more questions demanding more answers....because that is the inevitable -- and usually desirable -- result of the research cycle. Now these questions must be asked, and answered, in increasing volume around the world if it is to adequately feed itself -- asked and answered not only by the scholars and scientists of agriculture, but of the entire research and education structure of our society.

During the past quarter-hour I have described the Department of Agriculture as an agency of many missions.....

We are a production instrument...an economic innovator and stabilizer...a custodian of publicly-owned natural resources and a cooperative planner in those privately owned.....

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we are a teacher...a communications media...a regulatory system....a welfare unit....a rural development promoter....an arm of foreign policy implementation.....

But we are not an island. We are a part of the main. And in relationship to every area of science and education we are dependent -- and seek to be dependable.

That's exactly why we asked Dr. Seitz and the National Academy of Science to help us bring outstanding representatives of the science community to the same place at the same time.

And that's why, as I enter and leave the Administration Building of the Department of Agriculture each day, I see exhibits in the patio not only of research covering food and fiber, but exhibits of the Corps of Engineers related to buildings that will some day be constructed on the moon....and exhibits of the Bureau of Ships related to making submarines of glass.

Within USDA itself the competition for men and women and dollars in the various units of research is rugged, and fixing priorities in assignments and objectives isn't easy. Reconciliation, cooperation, coordination...meshing the parts to end up<sup>\*</sup> with a meaningful whole....demand much of each of us at the Department's policy-making level.

This intra-department situation is applicable to the entire range of government-sponsored research and development. It is mandatory, in the public interest, that we constantly develop new bases for

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coordination of research and the pooling of knowledge among Federal agencies and, hopefully, among other government and private agencies as well.

If this Symposium achieves nothing more than a demonstration of the Department of Agriculture's appreciation for the strength that lies in the creation of broadened understanding, and the promotion of concerted endeavor, we shall consider it most worthwhile.

We are anxious to earn, and to hold, full partnership in the basic and applied research community so that we may contribute to it... receive from it....with the purpose of moving more quickly toward the goal all of us share --

improving opportunities for all people, everywhere, to achieve maximum quality in every facet of their lives.

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Ladies and Gentlemen:

The Department of Agriculture's responsibility for national conservation programs affects three out of four acres of land in the United States under private ownership, in addition to the 186 million acre National Forest System.

The Fish and wildlife resource is one of the multiple purpose management responsibilities in which the Department is deeply involved. The quality of big game and fish hunted and caught in the National Forests is known to all of us. The Department is continuing to work in making it even better through sustained wildlife research and improved habitat management.

The traditional programs of the Department's Soil Conservation Service and Agricultural Stabilization and Conservation Service have helped establish thousands of farm ponds and improve the wildlife habitat on many thousands of acres of private land. Many of these ponds are now being fished and land lands hunted for a fee, thus benefiting both the landowner and the sportsman.

The Cropland Adjustment Program of the Food and Agriculture Act of 1965 brought in great new tools to benefit fish and wildlife and those who produce and harvest them. Recently, in accordance with the 1965 Act, I appointed a Wildlife Advisory Board to the Department for Cropland Adjustment Program activities.

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Remarks of Secretary of Agriculture Orville L. Freeman at the Premiere of "Patterns of the Wild," National Wildlife Federation Headquarters, 1912 Sixteenth Street, N. W., Washington, D. C., at 8:00 p.m., March 1, 1966.

Under the CAP, farmers who agree to open their land to the public for hunting, trapping, fishing, and hiking may be offered additional incentive payment. At its first meeting, the Wildlife Advisory Board suggested that the Program be made flexible so that State and County Agricultural Stabilization and Conservation Committees and State Game and Fish Commissions may apply the provisions in such a way as to increase access to available resources and encourage more farmers to improve wildlife resources.

Liability problems for farmers who allow public access to their lands also received attention of the Board. The group recommended that USDA and State governments consider ways to provide this liability protection.

The Advisory Board also is interested in methods of coordinating the work of State and County ASC Committees with the services of State Game and Fish Commissions. I believe the 11-man National Wildlife Advisory Board, which has four State Fish and Game Commission representatives, has made an excellent beginning in advising the Department on the Cropland Adjustment Program. This Program is aimed at removing from surplus production up to 40 million acres, primarily, instead of acreage diversions under annual commodity programs, for periods of 5 to 10 years. It will have major benefits for both farm and non-farm people.

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The U. S. Department of Agriculture's Motion Picture Service, through the years, has produced hundreds of education, training, and documentary films. Many of these were done in cooperation with State and private agencies and conservation associations. The one we are about to view is, in my opinion, a "first" for the Department, the Forest Service, and, I believe, for the cooperators who helped make it possible.

PATTERNS OF THE WILD is a realistic presentation of an important fact of natural life. It dramatizes the fact that in nature some segment of the chain of life must die in order that another may live; and that this chain, when unaltered by man, tends to perpetuate and balance the species.

Sometimes, when man upsets the habitat, the animal must seek another home. You'll see some of this, too. You will also see some examples of what wild land managers are doing to improve a substandard wildlife habitat.

I believe it is significant that the film concentrates on the frequently overlooked smaller wild creatures of the forest and field. The growing national trend to view our wildlife resources in the big picture -- in its total environment and its relation to it -- will help to insure that each creature continues to have its place on earth

PATTERNS OF THE WILD was filmed in the States of Minnesota, Wisconsin and Michigan. The Conservation Departments of these States cooperated with the Forest Service in making this unique film possible.

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U.S. Department of Agriculture  
Office of the Secretary

NOTE TO CORRESPONDENTS:

Secretary of Agriculture Orville L. Freeman today (March 1) sent to the Congress the detailed proposals for a Child Nutrition Act which President Johnson discussed in his budget message this year.

The proposed bill would continue the National School Lunch program in its present form and would direct more Federal funds to enable this program to reach more children from low income families.

In addition, the new bill would establish a School Breakfast program and a food service program for children in pre-school and child care centers. The bill also would provide authority to assist schools to acquire food service facilities if they do not have them.

With this proposal, the National School Lunch program in fiscal 1967 will be the largest in history, and will reach more children than ever before.

Attached is a copy of the letter transmitting the proposal together with several tables detailing the size and scope of the program.

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The first of these is the question of the origin of the human race. It is generally admitted that the human race is descended from a common ancestor, but the question of the exact nature of this ancestor is still a matter of dispute. Some authorities believe that the human race is descended from a common ancestor which was a mixture of the characteristics of the various races of the present day. Others believe that the human race is descended from a common ancestor which was a mixture of the characteristics of the various races of the present day. The question of the origin of the human race is a very important one, and it is one which has attracted the attention of many of the most distinguished scientists of the present day.

The second of these questions is the question of the development of the human race. It is generally admitted that the human race has developed from a common ancestor, but the question of the exact nature of this development is still a matter of dispute. Some authorities believe that the human race has developed from a common ancestor which was a mixture of the characteristics of the various races of the present day. Others believe that the human race has developed from a common ancestor which was a mixture of the characteristics of the various races of the present day. The question of the development of the human race is a very important one, and it is one which has attracted the attention of many of the most distinguished scientists of the present day.

The third of these questions is the question of the future of the human race. It is generally admitted that the human race will continue to develop, but the question of the exact nature of this development is still a matter of dispute. Some authorities believe that the human race will continue to develop from a common ancestor which was a mixture of the characteristics of the various races of the present day. Others believe that the human race will continue to develop from a common ancestor which was a mixture of the characteristics of the various races of the present day. The question of the future of the human race is a very important one, and it is one which has attracted the attention of many of the most distinguished scientists of the present day.

Department of Agriculture  
Washington, D. C.

March 1, 1966

Honorable John W. McCormack  
Speaker of the House of  
Representatives  
Washington, D. C.

Dear Mr. Speaker:

I transmit herewith the Child Nutrition Act of 1966, authorizing a comprehensive, nationwide program to feed the children of this nation.

A generation ago the Congress began a program designed to encourage schools to provide lunches for children on a regular basis.

In the first year of the National School Lunch Program, about 6 million of the 26.6 million school children participated in the program -- and the Federal Government contributed in cash and commodities about a third of the \$218.5 million cost of the program.

Twenty years later, over 18 million of the nearly 50 million children enrolled in public and private schools enjoy a nutritious lunch through this program. Today the National School Lunch Program has become one of the Nation's largest non-profit businesses, operating with annual expenditures in excess of \$1.5 billion a year. Federal contributions account for slightly more than 20 percent of this total.

The growth of this program demonstrates the confidence of the Congress that with Federal encouragement, the National School Lunch Program would receive strong and continuing support at State and local levels. At present the school lunch program is available to three-fourth of the Nation's school children.

The accomplishments of the past two decades represent in many ways the easiest part of the task; the steps that remain will be the hardest if we are to reach those children who can benefit the most from special feeding programs.

Over 9 million children cannot participate in the School Lunch Program because their schools do not have the necessary equipment and facilities; about a million of these are children of poverty who are most likely to be suffering from malnutrition. In addition, nearly half a million children now attending schools with lunch facilities are excluded because their parents cannot afford even the nominal cost of the lunch.

Many children from low income families now arrive at school with empty stomachs, and their future already is limited because of the listlessness and disinterest which hunger produces.

Further, the number of educational programs for children outside the regular school system -- such as summer camps, pre-school programs and child-care centers -- are increasing. Adequate nutrition is even more essential to children at this age.

To better cope with the unmet and the new needs I have described, this proposal will place the existing School Lunch and Special Milk Programs under one legislative authority and combine with them an expanding effort to improve nutrition for the children of this country.

The first emphasis will be on full meals for all children, particularly for those who now find themselves excluded from current programs for reasons beyond their control. This will mean that less emphasis will be placed on programs such as special milk, but it will not mean a significant decline in the consumption of dairy products. Over a third of the food dollar spent in the School Lunch Program now goes for dairy products, and this ratio will continue.

The Federal contribution authorized under the Child Nutrition Act will closely parallel the present expenditures made for child feeding. While the momentum of the present school lunch program will enable it to continue to reach more children each year, more of the Federal funds will be directed to reach where the need is greatest.

In addition to the \$6.5 million proposed in the budget for fiscal 1967 to enable the National School Lunch Program to reach more schools in areas of economic need, \$50 million will be requested to finance the new and expanded features of the proposed Child Nutrition Act. With this supplemental request, the total Federal contribution for fiscal 1967 will be increased to a proposed \$254 million.



The Child Nutrition Act of 1966 will provide:

- (1) Extension of the National School Lunch Program in essentially the same form in which it has operated so well over 20 years but with extra emphasis on reaching more schools in areas of economic need and making the lunch program more available to needy children in existing programs.
- (2) A Special Milk Program that will concentrate available Federal funds where they are most needed -- in reaching children who have no other food service available in school; in reaching children who may have a lunch program available but whose nutritional need is so great that additional servings of milk should be offered.
- (3) A pilot School Breakfast Program to assist schools in launching or expanding a breakfast program in schools that draw heavy attendance from low-income areas and in schools whose enrollees travel long distances.
- (4) Initiation of a new pilot non-school food assistance program to fill those gaps that exist particularly during the summer months when children do not have access to the lunch program and to provide assistance to needy children enrolled in pre-school and child-care centers.
- (5) An important barrier to reaching more needy children has been the lack of food service facilities in many schools, particularly those in low-income rural and urban areas. We are, therefore, proposing grants-in-aid to assist the States in providing facilities in those areas where local resources are inadequate to support the installation of food service facilities.
- (6) To help State educational agencies meet the challenge of this national effort to improve child nutrition, the proposals provide that limited amounts of administrative funds to be made available to the States to strengthen the child food service staff.

It has been suggested that the proposed legislation be extended to include the Trust Territories of the Pacific. We are studying this proposal and, if feasible, will later recommend the inclusion of these Territories.

The proposals submitted are based on 20 years of experience with the National School Lunch Program. The proposals will use the Department's extensive technical knowledge, its experience and resources in food and nutrition and its long-established lines of administration and communication through the State educational agencies which now administer the National School Lunch Program. This means that the major share of responsibility for the administration and effective operation of these activities will be in the hands of local authorities, community groups and organizations.

The Bureau of the Budget advises that the proposed legislation would be in accord with the President's program.

Sincerely yours,

/s/

Orville L. Freeman  
Secretary

# NATIONAL SCHOOL LUNCH PROGRAM

	<u>F.Y. 1965</u> <u>(million)</u>	<u>F.Y. 1966</u> <u>(million)</u>	<u>F.Y. 1967</u> <u>(million)</u>	<u>Change</u> <u>(67 from 66)</u>
<u>Federal</u>				
Cash:				
Apportionment	\$ 130.4	\$ 138.6	\$ 129.4	\$ - ( 9.2)
Special	-0-	2.0	6.5	+ ( 4.5)
Commodities:				
Section 6	59.5	59.3	45.0	- ( 14.3)
Section 32	173.2	36.4	(	
Section 416	39.7	88.6	( 125.0	-0-
Special Milk	<u>95.1</u>	<u>97.3</u>	<u>19.8</u>	<u>- ( 77.5)</u>
Total Federal	\$ 497.9	\$ 422.2	\$ 325.7	\$ - ( 96.5)
<u>State and Local</u>				
Cash:	\$ 113.7	\$ 124.0	\$ 142.0	\$ + ( 18.0)
Other	178.7	200.0	237.0	+ ( 37.0)
<u>Children</u>				
Cash	<u>797.6</u>	<u>835.0</u>	<u>885.0</u>	<u>+ ( 50.0)</u>
Total, State local & children	\$1,090.0	\$1,159.0	\$1,264.0	\$ (105.0)
Grand Total	<u>\$1,587.9</u>	<u>\$1,581.2</u>	<u>\$1,589.7</u>	<u>\$ + ( 8.5)</u>
<u>Child Nutrition</u> <u>Supplemental</u>			\$ 50.0	\$ + ( 50.0)
Overall Total	<u>\$1,587.9</u>	<u>\$1,581.2</u>	<u>\$1,639.7</u>	<u>\$ + ( 58.5)</u>

2/23/66

UNITED STATES DEPARTMENT OF AGRICULTURE  
Consumer and Marketing Service

National School Lunch and  
Child Nutrition Program

Estimated Fund Requirements (in thousands of dollars)

	: F.Y. :	Budget :	Supplemental :	Total :
	: 1966 :	F.Y. 1967 :	F.Y. 1967 :	F.Y. 1967 :
Title I				
School Lunch				
Cash Payments	\$138,590	\$129,415	-	\$129,415
Special Assistance	2,000	6,500	\$19,300	25,800
Commodity Procurement	59,325	45,000	-	45,000
Title II				
Special Milk	99,370	20,365	-	20,365
Title III				
Breakfast Program	-	-	6,000	6,000
Title IV				
Other Group Feeding	-	-	8,000	8,000
Title V				
Equipment	-	-	12,000	12,000
State Administration	-	-	3,700	3,700
Administrative Expenses	2,715	2,720	1,000	3,720
TOTALS	\$302,000	\$204,000	\$50,000	\$254,000

C&MS-CFP  
2/23/66



Quantity and Value of All Foods Used In  
National School Lunch Programs  
July 1962 - June 1963

Item	National School Lunch Programs		
	Quantity	Value of Food	Percent of Total
	(Mil. Pounds)	(Mil. Dols.)	
Milk and Milk Products	2,873.0	351.2	37.6
Fats & Oils (Incl. butter)	148.2	66.0	7.1
Flour & Cereals	218.4	25.4	2.7
Bakery Products	283.5	61.2	6.5
Meat	272.3	135.0	14.4
Poultry	131.5	42.2	4.5
Eggs	53.2	15.7	1.7
Fruits & Vegetables			
Fresh, Dried, Canned & Frozen	1,276.3	153.0	16.4
Miscellaneous	363.1	85.2	9.1
Total	5,619.5	934.9	100.0

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Statement of the Honorable Orville L. Freeman  
Secretary of Agriculture  
before the  
Subcommittee of the Senate Appropriations Committee  
10:00 a.m., March 1, 1966

Mr. Chairman, Members of the Committee:

I am grateful for this opportunity to appear once again before this Committee -- the sixth time. This marks therefore the beginning of our sixth year of mutual official concern for the farm and food policies of this Nation.

I want to thank you for the courtesy and cooperation I have received from the Chairman and from each member -- not only in my appearances here but also in the many other enterprises that we have shared on behalf of farmers, consumers, and the great Federal Department which is most concerned with our basic resources of food and fiber.

Before going into the current budget for the Department of Agriculture and its programs, I do not think it would be at all amiss at this time to sum up for your attention some of the contrasts between the state of American agriculture today and five years ago.

The distinguished members of this Senate Appropriations Subcommittee are entitled to take much of the credit for the improved lot of the American farmer. It is you who have borne in substantial part the responsibility for shaping the USDA programs through your power to recommend to the full Committee the amount of money necessary to finance them, and ultimately to carry your recommendations to the floor of the United States Senate and to fight for them there. Your wisdom and good judgment have been proved time and time again.

Personally, I am grateful to you for any small successes I have had during my years in Washington. Without your support and help, they would have been small indeed.

Anyone who remembers the kinds of problems we had in front of us five years ago, when I first appeared before you, must be a bit wonder-struck, as I am, by the kinds of headlines that stream before us today. A few examples:

"A Hungry World's Biting Deep into Our Surpluses."

"Farm Equipment Boom: Sales Climb as Farmers Reap More Profit and the U.S. Pushes New Food Programs."

"U. S. Food Is Important Weapon."

I think you will agree that these headlines are vastly different from those of five years ago when together we undertook a struggle to raise farm incomes ... to make our surpluses manageable ... to obtain a recognition of the farmer's importance to America and to the world.

Remember how things were at the beginning of 1961?

Farmers had just ended a 10-year period in which their real income actually declined. Counting income from all sources, farmers entered the decade of the 1960's with only \$55 of income for every \$100 that nonfarm people had.

The accumulation of grain surpluses was threatening the whole price and income structure of agriculture, and especially the feed

grain-livestock sector. Supplies of unneeded feed grains and unneeded wheat had risen to an all-time high. The funds that CCC had tied up in investments and inventories had more than tripled in a 10-year period.

Finally, we were up against a highly vocal and well-organized opposition to farm programs of all kinds -- plus the fact of a declining number of Congressional representatives whose constituencies actually included any substantial farming interest.

Yet, we were able to accomplish these things on the commodity and farm program front:

- Raise farm incomes by an average of 40 percent per farm.
- Reduce the wheat surplus by almost half.
- Reduce the feed grain surplus by almost a third.
- Reduce the CCC's over-all investment in farm commodities by 20 percent.
- Boost farm exports by one-third -- to new all-time highs.

At the same time, we were able to make substantial progress in reducing the disadvantage that rural communities have faced in comparison with urban centers -- an inequality expressed not only in lower incomes but also in fewer job opportunities and inferior health, educational, sanitary, and other public services. In five years, some 20,000 community development projects have been organized at the initiative of 150,000 local leaders.



Under the Rural Areas Development program, we have:

- Expanded by 60 percent the number of small watershed projects approved for construction.
- Tripled the size of USDA's farm ownership loan program and doubled the home loan program.
- Expanded the Community Water System loan program by at least ten-fold.

While the farmer's situation was improving, food abundance in unparalleled variety and quality continued to flow to American consumers in all parts of our land. In 1960 the U.S. citizen spent 20 percent of his disposable income on food. Last year he spent only 18.2 percent. This is a record unmatched anywhere else in the world.

The Department and cooperating agencies have extended to 50 percent more people the food assistance programs that help American school children and needy families to share in our abundance. School lunch programs administered under Public Law 480 now serve almost double the number of children they were helping five years ago.

We have had major farm legislation each year from 1961 through 1965, and these new laws have required that the Department of Agriculture make substantial changes in more than 15 annual commodity programs. During these five years, farmers have signed 10 million times to participate in commodity programs -- a measure of the farmer interest which has created the successes I have just summarized.



I shall not impose further upon your valuable time today by reporting in greater detail upon past achievements and current programs. However, I have sketched some of the accomplishments today because I thought it appropriate, at this midpoint of the decade, that the record of this Committee contain a brief summary of achievements in which you can take great pride.

As you know I shall be followed here by operating officials of the USDA who will carefully review with you -- in as great depth as you wish to go -- the costs and expenditures and operational changes proposed in the budget we have submitted to you.

For my part, it has been my practice as Secretary of Agriculture, in testifying before you in past years, to select an important activity of the Department and review for you in detail the policy foundation upon which it is based.

This year, I have chosen agricultural exports. Before I begin, let me turn over to your Chairman, for the record, a copy of a booklet containing facts and figures on U.S. imports, exports, balance of payments, and other information vital to our economy.

Please let me further preface my remarks on exports by stating that tomorrow I shall testify before the Senate Committee on Agriculture and Forestry on President Johnson's Food for Freedom Act of 1966. The President proposed in a message to the Congress on February 10 that the United States lead the world in a war against hunger.

This is not the time to go into that proposal. However, I may say here that it includes both increased food aid to certain countries and technical assistance to initiate "self-help" programs. Food aid has been, and will continue to be, a matter of tremendous importance to the American economy and to our position in the eyes of the rest of the world.

I mention this, in getting into the subject of agricultural exports, because our approach to the subject of exports actually is a two-front approach. The two fronts consist of assistance to needy nations and -- whenever possible -- commercial exports.

The United States is the world's largest exporter of agricultural products. But we cannot afford to rest contentedly on that fact. I can think of at least five very strong reasons why we must continue our work to expand the flow of products from our farmers to the markets of the world:

One, the income we derive from agricultural export sales is essential both to our rural people and to our city people.

Two, our agricultural exports bring back a healthy reverse flow of dollars which are vital to our nation's balance of payments situation.

Three, foreign markets for our agricultural output greatly ease the problems of production adjustment.

Four, industrialized countries depend on us for agricultural materials needed to feed and clothe their labor force and keep their

factories rolling.

Five, developing countries depend on us for food to avert hunger and help build the stronger economies they must have.

In the five years that I have had the opportunity to work with this Committee on foreign trade matters, I have always found understanding of and support for these basic export objectives. I appreciate this greatly, and I feel that the progress we have made toward these objectives has fully justified the programs and the funds that the Congress has given us to administer in this area.

In fiscal year 1960 our total agricultural exports amounted to \$4.5 billion. This consisted of \$3.2 billion of dollar business and \$1.3 billion under Food for Peace.

By fiscal year 1965 our agricultural exports had risen to a new record total of \$6.1 billion. This was made up of \$4.4 billion of dollar business -- a 38 percent expansion -- and \$1.7 billion under Food for Peace, a 31 percent expansion.

In most of our major farm commodities, there have been dramatic increases in exports. Let me cite some of the statistics:

	<u>Fiscal Year 1960</u>	<u>Fiscal Year 1965</u>
Feed Grains	12 million tons	20 million tons
Soybeans	132 million bu.	209 million bu.
Oilcake and Meal	867,000 tons	2,355,000 tons
Soybean & Cottonseed oil	1,601 million lbs.	2,001 million lbs.

	<u>Fiscal Year 1960</u>	<u>Fiscal Year 1965</u>
Wheat	442 million bu.	724 million bu.
Rice	20.5 million bags	28.6 million bags
Tallow	1,553 million lbs.	2,092 million lbs.
Hides and Skins	7.8 million pieces	17.9 million pieces
Canned fruits	370 million lbs.	550 million lbs.

In tobacco, although competition has been extremely tough, we have more than held our own. In 1960 our exports were 457 million pounds; last year they were 484 million pounds.

When we began our drive to expand exports, we were importing more agricultural goods at a cost in dollars than we were exporting for dollars earned. But our dollar-earning agricultural exports were soon built up to the point where, during 1964 and 1965, they exceeded agricultural imports by a wide margin.

(In 1964 the favorable ratio was \$4.5 billion exports, \$4.1 billion imports; in 1965, \$4.7 billion to \$3.9 billion. This year we expect the favorable ratio to increase further.)

This expansion is, of course, contributing in an important way to our balance of payments. In fact, agricultural export earnings have been gaining relatively faster than non-farm export earnings. During the 1960-65 period, nonagricultural dollar-earning exports (nonmilitary) rose from \$13,945 million to an estimated \$18,130 million, a gain of 30 percent. During this same period, dollar earning agricultural exports rose from \$3,483 million to \$5,086 million, a gain of 46 percent.



As we approached our export development job, we used these four approaches:

First, we put new emphasis on foreign market access. We studied leading world markets and proved conclusively that agricultural protectionism exists, that it is measurable, and that it is formidable. Our people have worked tirelessly to get trade restrictive barriers removed -- through the GATT negotiations, through efforts directed at the European Common Market, and through persuasive measures with many individual governments. This has led to frustrations ... to success ... and to a determination on our part not to relax. We estimate that, through greater access alone, we can increase our farm export sales by an additional \$500 million a year by 1970.

Second, we have sought to develop programs to move farm products at world prices in order to meet world competition successfully -- and at minimum cost to the U. S. Treasury. In this, we have made a good deal of progress. Our export payment costs have been lowered substantially, particularly for grains.

Third, we have promoted exports in an aggressive way. Our joint export sales projects with trade organizations now include 45 organizations representing producers, processors, and distributors of agricultural products from all 50 States. These projects now reach into 71 countries. Together with these private groups, we are exhibiting and selling products at international trade fairs and trade centers in leading markets -- including 18 such events this year. We have now

established close ties with the American food industry and are successfully expanding export sales of many grocery-shelf food items.

Fourth, we have carried out an active Food for Peace Program, supplementing our commercial export efforts to enable developing countries to obtain the necessary and vital agricultural supplies they cannot buy in the commercial market.

We know that the assistance we give now to encourage the developing countries to achieve more rapid economic growth will contribute greatly to a more peaceful world -- and to expanded world trade. Our studies show that commercial farm exports from the U.S. grow 16 percent for every 10 percent increase in the per capita income in the developing countries. This belies the old worry of some people -- going at least back to the early Point Four days -- that economic and technical aid might result in building competition for ourselves in world markets. It has been demonstrated many times that the over-all effect of our efforts to improve the living standards of other countries is to increase our business with those countries and to boost trade throughout the world.

In our market development program, we have systematically sought new avenues of trade expansion -- with very good results.

For example, we have activated and are making extensive use of Title IV of Public Law 480, providing for export sales under long-term credit with payment in dollars. Agreements have been signed for the sale of more than a half billion dollars worth of U.S. farm products to more than 20 countries under provisions of Title IV.

We have developed new opportunities under credit sales authorities of the Commodity Credit Corporation. Such sales, previously made only out of Government stocks, are now being made out of commercial stocks so that they do not enter the CCC inventory.

We have begun to convert some foreign food donations to concessional sales that bring back dollars. And in our barter program, emphasis has been shifted from stockpiling strategic materials to obtaining supplies and services needed in defense and AID operations overseas, thus saving dollar costs to our Government.

Also, for the first time, we are using Article XXIII of GATT as a means of opening markets once closed to us. This article provides that if another country treats our exports unfairly, we may remove commensurate trade concessions to balance the situation.

All these efforts have contributed to our record farm exports -- by all odds the greatest flow of farm products ever to move from one nation to the people of the world. Exports this fiscal year will run above the \$6 billion plateau for the third straight year.

Three or four months ago, we were talking in terms of \$6.2 billion this fiscal year. I believe now that we will exceed that level -- and that agricultural exports this fiscal year may reach \$6.5 billion. If I may risk a longer-range prediction, it will be possible by 1970 for us to have our farm exports up to \$8 billion a year -- with three-fourths of this for dollars.



The key word in that prediction is possible. To reach an \$8 billion export target by 1970, we will have to continue for the next five years the expansion rate of the past five years -- 6 percent a year. We know how hard we have had to scratch to do that in the past. The years ahead will call for still greater effort -- with new policies and new approaches. This will be difficult, but we can do it.

Just as our export goals allow for no resting on our laurels -- so also do our income goals for farmers assume a continued drive to strengthen agriculture's position in the economy. In the past five years, realized net farm income has averaged better than a billion dollars a year above the preceding five years, and we should expect the next five years to show a similar improvement.

We have the tools to do this, in the Food and Agriculture Act of 1965. The new programs give us the flexibility to make adjustments -- as we have this year -- in tune with our best estimates of supply requirements. Beyond that -- agriculture's future is largely in the hands of farmers themselves.

Again, I thank the members of this committee for your wisdom and counsel over the years -- for your continued support of the programs that are essential to agriculture and the public -- and for your personal kindness to me. Thank you for this opportunity to appear before you.

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Statement  
of  
The Secretary of Agriculture, Orville L. Freeman  
before the  
Senate Committee on Agriculture  
10:00 A.M., March 2, 1966

Mr. Chairman, Members of the Committee:

Food and agriculture are the most persuasive of all arguments for convincing the uncommitted two-thirds of the world's people that the path to a better future for themselves and their children is to be found in choosing freedom over communism.

The vast numbers of people who are underfed or undernourished are not a fertile ground in which to plant the seeds of freedom. Their strength is sapped and their will is blunted. Their needs and desires are basic. They want to save 270 million malnourished children who are in danger of permanent impairment, mental and physical, because of lack of proper food.

Such conditions need not exist. The United States of America and the free world can lead the way to a new world of hope -- hope that every human being can have enough to eat. This is what the Food for Freedom program now before this Committee can accomplish.

This legislation, I am confident, will give us tools to launch and give impetus to a drive to banish hunger from the face of the earth.

Recently I visited Vietnam. There, I am confident, the forces combined against totalitarianism will win a military victory. But the victory won't hold unless agriculture goes forward with the troops. This is truly a two-front war. The Declaration of Honolulu means what it says: Military victory and social revolution must advance together.

Agriculture is the key element in securing villages and hamlets won in the shooting war.

Likewise, we cannot permanently advance freedom in the struggle against communism elsewhere around the world unless we give full recognition to the fact -- and do something to correct it -- that advanced countries are becoming more and more overfed today while have-not nations are losing ground in the race to close the gap between population and food supply.

Food ... and the ability to produce it ... and the means of teaching others to produce it ... are the most powerful weapons that America possesses. No other Nation can compete with our stockpile of these weapons.

And we must use them more and more effectively.

These are the weapons with which President Johnson proposed, in his message on the Food for Freedom Act, that we "lead the world in a war on hunger."

In the past dozen years, the United States has supplied more than 10 million tons of food aid per year to countries and peoples that needed our help. During that time we have sent abroad thousands of agricultural experts who have worked with the developing countries to improve their farming techniques.

Despite these heroic efforts under the generous and humanitarian provisions of Public Law 480, the per capita food intake in less developed countries is no greater today than it was a decade ago. So we must strengthen our program. We must combine humanitarianism with a hard-headed, self-help approach. To do that we must produce and make available the commodities needed to accomplish our purpose, rather than those that happen to be in

surplus. Such a program must be planned and logistically supported just as effectively as a military campaign.

Millions of lives are being saved today by public health measures that have improved more rapidly than food production in the developing regions. During the next 15 years, a billion people will be added to the population of the world. Four-fifths of the increase will occur in parts of the world where the fertility of the people has outstripped the fertility of the soil.

This country cannot by itself do the gigantic, long-term job of feeding an exploding population in all the food-deficit areas of the globe -- as I shall demonstrate. We must have the help of other advanced countries. Even more important, the countries receiving aid must concentrate their resources to improve their own food production.

President Johnson said in his Food for Freedom message to the Congress that victory in the war on hunger can be attained only through self-help.

"Aid must be accompanied by a major effort on the part of those who receive it," he said. "Unless it is, more harm than good can be the end result."

The President warned that "the time is not far off when all the combined production, on all of the acres of all the agriculturally productive Nations, will not meet the food needs of the developing Nations -- unless present trends are changed."

The Food for Freedom Act is designed to bring about such a change.

I suggest that never before has the Agricultural Committee of the Senate of the United States had so great an opportunity to launch a policy and a program that means so much to so many.

### A New Program

In my testimony on the Food for Freedom bill recommended by the President of the United States I should like to review with you the basic reasons for this new program.

These reasons are to be found in problems facing the world. They are to be found in new conditions prevailing here in the United States of America.

### The Threat of Hunger

The worldwide problem, only recently commanding widespread public attention, has been highlighted as a race between population and food supply. I shall demonstrate that much of the world will face famine of massive proportions within the next two decades unless present trends are sharply altered.

### Trends Must Be Changed

President Johnson, in his messages on foreign aid and on education and health, expressed this Administration's determination to offer help to those countries that seek to develop effective programs of population control.

And, in his message on Food for Freedom, the President charted the course for help to those countries determined to become more self-reliant in providing enough food for their people.

If these policies and programs are adopted, and if the developing nations will do their part, the trends that forecast the dark shadow of famine can be reversed.

The population trend can be altered downward.

The food production trend can be altered upward.



It is with the latter that we are primarily concerned today. We are concerned with it in terms of its import for a world in which peace and freedom can prevail. And we are concerned with it in terms of its meaning for American agriculture.

#### U.S.D.A.'s Concern

Long before American newspapers and magazines publicized world food needs in black headlines with even blacker forecasts, the Department of Agriculture was seriously concerned.

For more than a decade the U.S.D.A. has been involved in helping to meet the food needs of some 70 countries under Public Law 480. True, the extent to which our agricultural abundance could be used for this purpose was measured by that which could be termed "surplus". Yet the \$14 billion we have spent in providing food and fiber to developing nations have done more than any other program in history to avert hunger, malnutrition and famine.

Our P. L. 480 program has been increasingly directed toward encouraging economic development. We have consistently used our agricultural surpluses for assistance to developing countries to the maximum extent feasible under existing conditions at home and abroad.

Five years ago, when I assumed the responsibilities of this office, one of my major concerns was to insure that the unparalleled productivity of our American farms would be used most effectively -- not only to provide a fair reward to the American farmer and abundant supplies to the American consumer -- but also to alleviate hunger and want in less fortunate countries. I have never been able to accept the idea that there was any real surplus, in human terms, as long as human beings, even on the other side of the globe, suffer for want of food and clothing.

One of my first inquiries, back in 1961, was for an assessment of the extent of the need in the years immediately ahead. When I found that there was no ready answer I requested the Economic Research Service to make a careful study of world food needs. In October 1961 we published the World Food Budget, 1962 and 1966.

This provided our first comprehensive study of world food needs. It helped to guide our programs to expand commercial markets for the products of American farms. It helped us to plan exports under our Food for Peace program. It highlighted the opportunity for using food abundance to help build self-sustaining economies in countries receiving food aid.

This effort was only a beginning. In October 1964 we published the World Food Budget, 1970. This study presents the results of an expanded effort to examine the supply and utilization of food commodities throughout the world. It assesses world food needs and highlights the food deficit that prevails in two thirds of the world. It evaluates the possibilities of closing the food gap. And it outlines the problems involved in that effort.

In its closing paragraph, the World Food Budget, 1970 presents the following conclusion: "While U.S. food aid will likely continue to play an important role in helping developing countries meet emergency needs and achieve more rapid economic growth, food aid is at best a temporary and inadequate measure. Higher food production is the only permanent way to overcome the food gap in most diet-deficient countries, although in some countries, development of non-farm resources will result in foreign exchange earnings that can be used to pay for commercial imports of food."

#### President Johnson's Charge

A few months after the publication of the World Food Budget, 1970, President Johnson presented his 1965 farm message to the Congress. He

said then:

" . . . The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

" . . . we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land-grant colleges and state universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

"I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals."

These were the guidelines under which we have carried out studies to determine what legislation ought to be proposed as the current Public Law 480 expires at the end of the year. We studied the question in cooperation with the Agency for International Development and other agencies and departments concerned. The President's recommendations for a new bill are made in the light of two major changes that have taken place since P. L. 480 was enacted back in 1954.

#### Food Needs Increase Sharply -- Surpluses Decline

The first of these changes I have already noted. The world situation in terms of food needs is much more alarming today than it was twelve years ago.

The second change arises out of the success of our domestic farm commodity programs. With the legislation you enacted last year, and the laws already on the books, we have succeeded in supporting farm income while gradually eliminating unwanted surpluses. We now expect that within a few years available stocks of most agricultural commodities will have declined to a level no higher than need for an "ever-normal granary." It is therefore



no longer possible to envisage an effective program of food aid based on "surplus" commodities.

Our first task in developing a new program to meet these changes was to examine, in as specific quantitative terms as possible, the extent of food needs that can be expected to occur in aid-recipient countries in the years immediately ahead. In this task we built on the information that has been brought together in the World Food Budget, 1970, but we projected our estimates forward to 1975 and beyond. We then related the needs thus projected to America's capacity to produce.

#### Measuring the Food Deficit

In estimating the magnitude of the food gap we used grain as an indicator to simplify our projections. On the production side we based our assumptions on a continuation of recent trends in grain production in the developing countries -- rising at a rate of about 2.6 percent annually, barely keeping up with population growth.

On the consumption side, however, we recognized that recent trends are unacceptable. Per capita consumption -- now averaging ten percent below minimum standards -- has been increasing only about one third of one percent a year. At this rate it would take three decades to bring the calorie content of consumption up to bare minimum standards.

This rate is clearly unacceptable to the hungry nations themselves.

It is morally unacceptable to us.

We therefore based our estimates on a more acceptable target that is within reach -- the achievement within one decade of an average per capita consumption that would meet minimum standards.



We have prepared a chart that shows graphically the most important fact about our projections. On this chart the solid black line represents the food gap for aid-recipient countries on the basis of: (1) a level of food consumption that would reach minimum standards by 1975; (2) domestic food production in these countries continuing to increase only 2.6 percent a year, as under current trends; (3) population growth as projected according to United Nations medium estimates.

If agriculture in these countries fails to improve any faster than this they would experience very little over-all economic growth -- because so large a proportion of their total output comes from the agricultural sector. This means that these countries could not afford to pay for imports of food to fill that gap. It would have to be provided by food aid. Let's look at the magnitude of that food aid.

Beginning at a little over 18 million tons, it would reach 25 million tons by 1970, 42 million tons by 1975, and 62 million by 1980.

#### Can U.S. Food Fill the Gap?

Now let's turn to the broken line. This represents the amount of grain that would be available for food aid -- over and above all domestic uses and commercial exports -- if American farmers were to bring back into production all of the acres now diverted. This line is based on expected yields under current price levels, and therefore represents more feed grains than wheat, even though wheat is most useful as food aid.

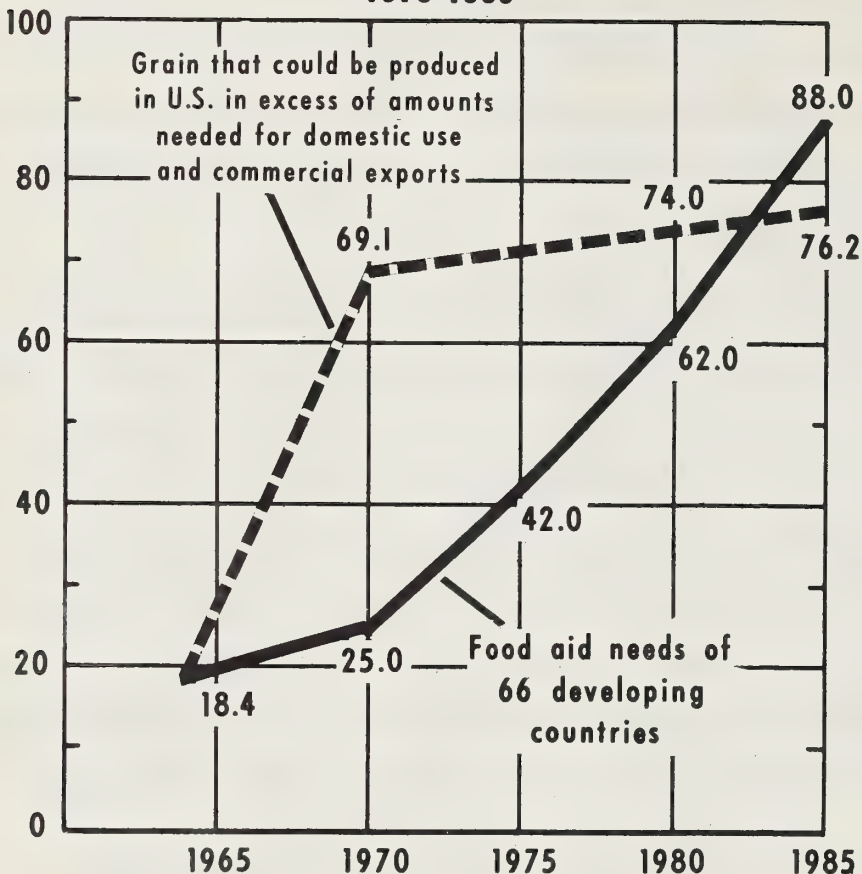
This chart assumes that if diversion programs were ended all diverted acres would probably be back in production by 1970. That accounts for the sharp rise in availability shown on the chart for that period. After 1970 the more gradual rise represents an expected increase in yields per acre.

If we were to follow this pattern, by 1970 we would be producing 44 million tons more than food aid requirements. By 1975 we would still have an annual surplus of 30 million tons. (Where would we put it?) By 1980 there would still be a small annual surplus.

## U.S. Availability of all Grain for Food Aid and Food Aid Needs of 66 Developing Nations, 1970-1985

mil. metric tons

1970-1985



But the point at which the lines cross signifies the onset of disaster. By 1985 there would be no way to fill the gap. As President Johnson said in his Food for Freedom message, "the time is not far off when all the combined production, on all of the acres, of all the agriculturally productive nations, will not meet the food needs of the developing nations -- unless present trends are changed."

This disaster cannot be averted by calling back into production all of

our diverted acres and shipping the surplus to the hungry world. It is true that we could put these acres back into production. We could use them to produce some 60 million more tons of grain for use in food aid programs. If our commodity programs were adjusted so that at least two thirds of this grain would be wheat (which now constitutes nearly 90 percent of our grain shipments under P.L. 480) the cost would be at least \$2 billion higher than present programs. (This is assuming that we would maintain farm income at its present level.) This estimate does not include the high cost of constructing in recipient countries the port and related facilities that would be necessary to handle such an increased volume of food aid.

But even at this cost we could only postpone the disaster for a few years. The greatest cost would be the lost years -- the years during which those massive amounts of our grain would serve as a "crutch" -- as a deterrent to delay action on the part of recipient countries to help themselves. We would be contributing to, rather than working to prevent, that disaster.

#### Only One Solution

The disaster can be averted in only one way -- by greatly accelerating the expansion of food production within the hungry nations themselves.

There is no time to be lost. The hungry nations are faced with a tremendous task in increasing their agricultural productivity. Those most densely populated will have to do it the hard way by increasing yields, for they already have under cultivation most of their available acres.

Their efforts to increase yields face many serious roadblocks. Some of them even lack sufficient government stability for the establishment of effective policies. Most lack incentives adequate to make it worth while for farmers to make any great effort to produce more. They face low rates of literacy, lack of know-how, and the absence of means by which to help farmers to use new and better methods. Essential purchased inputs (fertilizer and other



chemicals, machines and tools) are scarce, and the hungry nations have little foreign exchange with which to buy them. Lack of roads, marketing facilities, farmers' cooperatives and sources of credit are other handicaps. Most of them are in tropical regions where agricultural research and technological advance lag far behind that which has developed in the temperate regions of the world.

With all these handicaps, these hungry nations will need to increase their agricultural productivity at a rate higher than that ever achieved by the agriculturally productive nations. Clearly the task can not -- must not -- be delayed.

#### Helping Nations to Help Themselves

This is why the Food for Freedom program places highest emphasis on self-help.

We can and will provide technical and capital assistance to help those countries that under take effective programs to increase their own ability to provide food for their people.

We can and will help to fill the gap in their food and fiber needs as they pursue those self-help efforts, and until they reach a level of self-reliance where they can either produce or buy what they need.

The task is difficult, but not impossible.

The Department of Agriculture has studied in detail increases in agricultural productivity over the years 1948 to 1963 of 26 developing countries, some in each of the major geographic regions of the world. Twelve out of the 26 have increased their agricultural production at annual compound rates of more than 4 percent per year. This surpasses rates ever achieved by the now economically advanced nations over comparable periods of time.

Many factors have contributed in varying degrees to their success. The twelve countries differ widely in climate, literacy rates, land resources, culture



and governmental systems. They had only one factor in common -- a national determination to carry out self-help policies to improve their food production.

With similar determination and with assistance from highly developed nations other countries can do as well. An annual average increase in agricultural production of 4 or 5 percent would go a long way toward defeating hunger in the decade ahead.

The Food for Freedom program is directed toward that goal. It is directed also toward one aspect of that goal that deals with quality as well as quantities of food.

One of the most serious manifestations of hunger in the developing nations lies in nutritional deficiencies, particularly the lack of proteins and vitamins, among infants and young children. It is estimated that in the developing nations of the free world some 171 million children under six years of age and 98 million between the ages of six and fourteen suffer seriously from malnutrition. Millions die because malnutrition has sapped their resistance to childhood diseases. Millions who survive are permanently handicapped, physically and/or mentally. Progress in education as well as the nation's capacity to carry on vigorous economic development are seriously retarded by the degree of malnutrition that prevails in many parts of the world.

Today we know how to meet such nutritional deficiencies. We have developed new methods by which essential food requirements can be produced and processed at low cost. In the Department of Agriculture we are stepping up our own activities to meet the problem of malnutrition.

Other agencies of the U.S. Government are also attacking this problem. The A.I.D. is already fortifying donations under its P.L. 480 programs. I know that you will hear more about this aspect of the war on hunger when Mr. Bell presents his testimony.

War on Many Fronts

Our Government is mobilizing for the war on hunger on many fronts. One of these fronts was described by President Johnson in his message on Foreign Aid. He proposed that the Agency for International Development increase its effort in the field of agriculture by more than one-third, to a total of nearly \$500 million. One-third of this total will finance imports of fertilizer from the United States. The remainder will finance:

- . . transfer of efficient farming techniques;
- . . improvement of roads, marketing and irrigation facilities
- . . establishment of extension services, cooperatives and credit facilities;
- . . purchases of American farm equipment and pesticides;
- . . research on soil and seed improvements.

I am sure that Mr. Bell will emphasize the importance of this effort to assist these nations to help themselves.

The President's message on health and education likewise offers intensive new programs, many of which will either directly or indirectly benefit the agriculture of the developing countries and help to win the war on hunger.

The Food for Freedom Act

You in this Committee are now taking under consideration a major front in this war. Two companion bills are before you, one to authorize a new five-year food aid program to replace P.L. 480 when it expires on December 31, 1966, and one to provide for an "ever-normal granary" by setting up commodity reserves.

The Food for Freedom Act of 1966 has two new features of utmost importance.

Food Aid Linked to Self-Help

The first is the emphasis on self-help. This principle is referred to four times in the bill itself. It becomes an integral part of our food aid program.

This link between self-help and food aid is essential to economic progress and growth in recipient countries. Instead of becoming increasingly dependent upon the United States they can build toward the freedom that comes only with self-reliance. Instead of an economy whose growth is seriously held back because the great majority of the people in rural areas are still outside the market economy, the recipient nation can look forward to the over-all economic progress that follows when agriculture becomes more progressive and prosperous. Only when farm people begin to both buy and sell will these countries really begin to move their economies forward.

The link between self-help and food aid is likewise important to the people of the United States. Paradoxical as it may seem, agricultural development in the poor and hungry nations offers to us the best opportunity for expanding exports of the products of our farms and factories.

We know that economic development is the basis for expanded commercial trade. We have seen proof of that many times in recent years as we have observed how dollar sales of U.S. farm products have climbed in countries where economic growth is taking place most rapidly. For example, dollar exports of U.S. farm products in the five fiscal years, 1961-65, increased over the five years 1955-59 by 16 times in Greece; by 13 times in Taiwan; by 10 times in Spain. They almost doubled in Israel, and increased by one and one half times in Hong Kong. We have further observed that for every 10 percent increase in incomes in developing countries we can expect their imports of our agricultural products on commercial terms to increase by 16 percent.

And since economic development in the hungry nations depends so much on increased agricultural progress, it is only by hastening that progress that we can



hope to begin to tap the great potential market that lies dormant in the under-developed world.

Finally, the link between self-help and food aid is of paramount importance because it is the only way to insure victory in the war against hunger. By means of this link, food from American farms today can help to insure that, by that time in the future when needs would be so great they could not possibly be met by American productivity, productivity in the developing world will have increased enough to meet the need. It is only by this link with self-help that American food aid can make its major contribution to banishing famine from the face of the earth.

#### End of "Surplus" Concept

The second new feature of importance in the Food for Freedom Act is the elimination of the "surplus" requirement. Commodities to be furnished would be those determined to be available by the Secretary of Agriculture, taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial exports and adequate carryover.

Food for Freedom needs would be taken into account by the Secretary when he exercises his responsibilities under domestic farm programs. These programs are flexible enough so that production can now be geared to potential use. They will be administered so that American agriculture will produce enough food and fiber to meet domestic needs, commercial exports, food aid for those developing countries that are determined to help themselves, and reserves adequate to meet any emergency and to insure price stability.

Commodities available to food recipient countries will no longer be as limited as they have been in the past. The commodity "mix" sent abroad under concessional programs will be geared to the kind needed rather than circumscribed by the kinds held in stocks. We can expect the trend to be in the direction of commodities with special nutritional values.



Other features of the Food for Freedom Act reflect the best provisions of Public Law 480.

Emphasis on expanding international trade and building markets for American farm products is continued, with special emphasis on the long-term development of markets expanding under the impact of economic growth.

Financing will continue under the Commodity Credit Corporation.

Private trade channels will be used to the maximum extent practicable.

Usual marketings will continue to be safeguarded.

Donation programs through voluntary agencies will continue.

There will be increased emphasis on **combatting malnutrition**

both in terms of selection of the commodities and in the authorization of the CCC to finance the enrichment of foods.

In the proposed act all sales, whether for foreign currencies or for dollars on credit terms, are placed under Title I. The policy is established to shift from foreign currency sales to dollar credit sales at a progressive rate, so that the transition can be completed by December 31, 1971, except for U. S. requirements for foreign currencies.

All donation programs will be under Title II of the act. Donations are authorized for such purposes as to meet emergency food needs, to provide food-for-work community and economic development programs and to carry out the U.S. pledge to the World Food Program.

Title III provides for uses that may be made of foreign currencies that accrue from foreign currency sales. Among the authorized purposes are: To finance U. S. expenses abroad; to develop new markets for U.S. agricultural commodities; to procure equipment for common defense;

to promote economic development; to finance educational exchange programs; to make Cooley loans; and to finance research. Any U.S. agency having authority to operate abroad can use those currencies to carry out its programs.

I know you will study this bill carefully. I will be glad to go over it with you to answer any specific questions you may have.

#### Food and Fiber Reserves

The companion bill recommended by the President would authorize establishment and maintenance of reserves of farm commodities. This bill is important to the people of the U.S. as consumers, to our customers abroad, and to those developing countries who must depend on our food for a few more years.

For many years, the need for such reserve policy has been overshadowed by concern with excessive supplies of agricultural products. But wise legislation, improved administration of our farm programs and increased foreign demands have now depleted the stocks of most farm commodities. We do not want to permit the inventories of key food commodities to decrease to the point that we cannot meet our domestic, export and Food for Freedom commitments and still have a safeguard against an unforeseeable increase in demand or an unexpected reduction in supply.

The bill would authorize the Commodity Credit Corporation to establish and maintain reserves of agricultural commodities primarily to assure a continuous, adequate, and stable supply to meet domestic requirements at fair and reasonable prices, and also to meet the requirements of commercial exports, domestic food programs, and the Food for Freedom Program.

The commodities to be reserved and the reserve quantities for each marketing year would be determined by the Secretary of Agriculture after consultation with other interested agencies such as the Departments of Defense and State. They would be announced in advance of the marketing year. The Secretary would be authorized to adjust support prices, acreage allotments and marketing quotas to achieve the production necessary to establish and maintain reserves. Commodities in the reserve would be available for disposal through sales, barter, donations, or redemption of payment-in-kind certificates.

Such a reserve is not a new idea--it was the basic principle of the ever-normal granary. In periods when supplies exceed expectations and needs, we set aside a reserve for periods of unusual demand or a short crop.

Actually, public concern over reserve levels for agricultural products goes back nearly 15 years, to a report entitled, "Reserve Levels for Storable Farm Products," published in 1952 as Senate Document Number 130.

Department specialists estimated at that time that a reserve of 350 million to 400 million bushels of wheat held by CCC, in addition to normal working stocks of around 100 million bushels held by the trade, would have been sufficient to offset the effects of one serious drought year followed by a moderate drought year.

For corn, and other feed grains, a reserve supply of 700 to 800 million bushels would have been sufficient, in addition to normal working stocks of around 300 million bushels held in trade channels.

Since that time, we have done additional research on this problem, much of which contributed to the 1964 report of the National Agricultural Advisory Commission on the subject.

Under present law, the Commodity Credit Corporation is under a mandate to dispose of its stocks as rapidly as possible consistent with its price support program and orderly market. The proposed legislation would permit us to stop short of total disposition of our inventories, to use the reserve to meet priority needs, and to encourage production of those items for which larger reserves are needed.

Wheat and dairy products offer current examples of how this authority might be used. Our wheat stocks will have been reduced to about a reserve level by next June 30. We have advised spring wheat growers that there will not be a program to reduce 1966 acreages below allotments. If it appears by mid-year that the June 30, 1967, stocks will be below reserve needs, we may wish to increase wheat allotments by enough to build our stocks to reserve levels by mid-1968.

Dairy products are currently in short supply. We have virtually no inventory, although we expect to acquire some products again this spring. We have already announced our offer to purchase dairy products for school lunch program at market prices above support levels. Under this bill, authority would be provided to take actions to build up reserve stocks if that course of action seemed to be required to assure adequate supplies and stable prices.

CCC inventories of rice, fats and oils, and non-fat dry milk, are presently low, but some of these commodities may be increased as a result of 1966 production.

To the extent possible, reserve commodities would be maintained as a part of the Commodity Credit Corporation's overall inventory for the particular commodity without individual lot specification. Government-owned



stocks of reserve commodities in most cases would be stored under existing Commodity Credit Corporation storage contracts, and handled in the same manner as price support commodities--utilizing the usual and customary channels of trade. Reserve inventories would be stored in or as near the area of production as possible so as to minimize the cost of transportation and handling and to permit greater flexibility in making dispositions.

Our aims would be to use the reserve agricultural commodities in the national interest. Under emergency conditions, the nature and extent of the emergency would dictate the disposal procedures to be followed. Under normal circumstances, dispositions from the reserve would be made under procedures now used for disposition of Commodity Credit Corporation price support inventories. We would plan to announce our procedures as far in advance as possible, so that producers and the trade could make their plans for the year.

This is an important bill at a crucial time. We need it to protect our consumers at home. We may need it to meet commitments abroad.

It will supplement the Food for Freedom program.

#### The Operation of the New Program

In many ways, the new Food for Freedom program will operate in a manner similar to the operation of our Food for Peace program under P.L. 480. But the new legislation, designed to meet new conditions and urgent needs in the years ahead, will call for some significant modifications in the operation of the program. We expect that these will evolve with experience. But I know you are interested in our expectation as to how the new features of the program will be implemented. I will try to summarize some of the highlights of these new features.

### Greater Responsibility

Food for Freedom programs and domestic farm commodity programs, while not dependent upon each other, must complement each other. This will add to the responsibility of the Secretary of Agriculture, who will be called upon to administer commodity programs in a manner that will assure the availability of commodities needed for food aid as well as to meet all domestic requirements and commercial exports.

Our commodity programs are flexible enough for us to meet that requirement, especially when buttressed by legislation for the establishment of commodity reserves. We expect that quantities needed for food aid may increase in the years ahead. As needs increase we can call back into production some of the acres now diverted.

Obviously, if this is to be done responsibly and effectively it will require more forward planning, a more careful evaluation of prospective needs and probable supplies, than was required when food aid was generally limited to "surplus" commodities. The resources and procedures of the Department of Agriculture, as well as those of the Agency for International Development, for estimating needs on both a short- and long-range basis will need to be expanded. The Secretary of Agriculture will need to take into account the foreign policy aspects of food aid and the degree of success of self-help efforts in recipient countries before he can make final determination about commodity programs.

### Adaptation of Existing Interagency Procedures

A higher level of interagency coordination will be further implemented by adapting existing interagency operating procedures that have worked well under the old program.

Coordination under P.L. 480 has been carried out through the Inter-agency Staff Committee, on which representatives of Agriculture, State, AID, Defense, Treasury, Commerce, and the Bureau of the Budget meet under the chairmanship of the U.S.D.A. I would expect something like this interagency structure to continue, but that its increased responsibilities would enhance its importance.

#### Closer Coordination of Food Aid with Other Assistance Programs

The new Food for Freedom program contemplates closer coordination of food aid with other assistance programs directed toward food and agriculture in recipient countries. President Johnson, in his message on Food for Freedom, emphasized the need for a unified effort. He said: "To strengthen these programs our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together even more closely than they have in the past in the planning and implementation of coordinated programs."

The Department of Agriculture and the AID have for several years been developing closer working relationships with each other in the food aid part of U.S. assistance programs. But the kind of unified effort to which the President referred means that Agriculture will also be called upon to participate in the planning of agricultural assistance activities and in reviewing the progress made in agricultural development.

This means that we are called upon to develop closer interagency operating relationships that will involve the Department of Agriculture in a shared concern for -- not only the food component of assistance programs -- but also that part of economic assistance that relates to self-help in the agriculture related sectors of developing nations.

This planning is primarily the responsibility of the AID. In discussing this problem with the Administrator, Mr. Bell and I have agreed that both the AID and the U.S.D.A. could carry out their respective responsibilities most constructively if representatives of the Department of Agriculture accepted AID's invitation to participate in the planning -- particularly for those major aid-recipient countries where problems of food and agriculture are of critical importance.

Specific procedures will be worked out under which such participation in agricultural planning can be carried out effectively. Through such participation the Secretary would be currently informed about the level of success of self-help efforts, and of needs which Agriculture might be called upon to meet.

Increased Technical Assistance from U.S.D.A.

President Johnson also pointed out that AID's policy of "calling upon the Department of Agriculture to assume increasing responsibilities through its International Agricultural Development Service" would "become even more important as we increase our emphasis on assisting developing nations to help themselves."

Mr. Bell has indicated his hope that the U.S.D.A. will be increasingly helpful in this area. We have just signed a new interagency agreement under which AID seeks to "enlist as fully and effectively as possible on a partnership basis the pertinent resources of the Department in planning, executing and evaluating those portions of the foreign assistance program in which it has special competence." Under this agreement we expect to expand U.S.D.A.'s participation through Participating Agency Service Agreements with the AID.



The Department of Agriculture will thus become increasingly involved in providing technical assistance in agriculture and related fields. We will be able to, as the President said, "extend to world problems in food and agriculture the kind of cooperative relationships we have developed with the states, universities, farm organizations, and private industry."

#### Effective Encouragement of Self-Help

The new Food for Freedom program can truly be an instrument under which the millions of lives that are now threatened by famine under present trends can be saved. But this will result only if it proves effective in changing those trends by stimulating, encouraging, and -- if necessary -- insisting on effective self-help measures. This may mean agreements for no longer than one year, with provisions for periodic reviews of progress made toward self-reliance.

#### A Forecast

I should like to conclude this testimony by sharing with you my own forecast of the course of this new war against hunger, -- a view of the potential outcome of the frightening race between population and food supply.

I make this forecast in the light of another explosion that has taken place in our generation, -- one that can hold far greater meaning, and that certainly holds far greater hope, than the explosion of population. I refer to the explosion of knowledge that characterizes our times.

Science and technology have progressed so far that it is now physically possible to produce enough for abundance for all.

But science and technology have likewise progressed so fast in the physical and material fields that our knowledge about the social, economic and political relationships necessary to realize that abundance has not caught up.

This gap lies behind one of the most significant statements that I find in the World Food Budget, 1970: "The race is not so much one between population and food supply but a race between what could be done and what will be done."

What could be done has been largely determined by scientific and technological progress.

What will be done can be influenced in a large measure by how you, in this Committee, take the lead in launching an all-out war on hunger by passing the Food for Freedom Act of 1966.

Under this Food for Freedom program, I foresee, in the years ahead:

- a likely increase in our food aid programs, as they are used to meet the deficit in developing countries making a major effort to increase their own food production.
- a consequent corresponding increase in American farm production, responsibly carried out under our flexible farm programs. As I see it, some, but not all, of our diverted acres will be needed in the years immediately ahead.
- a gradual shift from aid to trade, under which our declining exports for Food for Freedom would be more than made up by increasing exports on commercial terms. These increased exports for dollars would be a product of the development that our food aid had helped to bring about.

-- as agricultural progress would stimulate accelerated economic growth in the developing nations I would hope to see higher standards of living, rising incomes, and a growing volume of international trade. As poverty, dependence and insecurity decline, and as more of the developing nations become able to stand on their own feet and enter the international commercial market, I would expect a more rational pattern of international trade to develop. That would mean, for the American farmer, a very substantial increase in our exports of those commodities for which we have a real comparative advantage.

Most important of all, I would look forward hopefully to a future of peace and freedom, where

-- peace would be more secure

-- and freedom more widely cherished

because the fear of hunger no longer threatened the people of any nation.

The Food for Freedom program proposed by President Johnson less than two weeks ago is directed toward that goal. Its appeal has already aroused deep interest around the world.

I have seen cables and reports telling of that appeal. I have personally seen the hope that kind of program offers to the peasants in Vietnam.

The United States of America today has an unparalleled opportunity to use its abundance to the benefit of all.

Mr. Chairman, and Members of this Committee, the bill -- and the opportunity -- are in your hands.

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Statement of the Honorable Orville L. Freeman  
Secretary of Agriculture  
before the  
Senate Subcommittee on Foreign Aid Expenditures  
of the  
Government Operations Committee  
March 3, 1966

Mr. Chairman, Members of the Committee:

In a world seemingly full of problems, it is difficult to single out one problem as most important. But more and more it appears that the task of feeding the rapidly growing populations of the less-developed regions of the earth will be man's Number One challenge over the remaining three decades of this century.

World food production in 1965 was exactly the same as in 1964 but we had to divide it among 63 million more people than the year before. Next year, barring widespread famine or some other unforeseeable catastrophe, the denominator will be even larger.

Each year we calculate in the Department the world index of food production per person. Overall gains in food production in the less developed countries are not unimpressive. But each year we must divide total food production by the ever growing denominator of world population.

Even more significant than the actual increase in world population, most of the additions are coming in the less developed regions--those regions least prepared to feed them. High rates of population growth in the less developed countries and low rates in the developed countries are contributing more to the rapidly widening gap in living levels between the "haves" and "have nots" than any other single factor. Nowhere is this widening gap so noticeable as in the most basic of human needs--the need for food.

Two-thirds of the world's people live in countries where diets fail to meet the most basic nutritional needs. The number of people suffering from malnutrition is greater than it was a generation ago. Hunger today is commonplace throughout much of the world. This in spite of the fact that we have distributed 140 million tons of food abroad under the Food for Peace program over the past decade or so.

The gap between food needs and food production in the less developed world is widening rapidly. A generation ago the less developed regions of Asia, Africa and Latin America were net grain exporters, shipping 11 million tons of grain annually to the developed regions, principally Western Europe.

During the war decade of the 1940's this flow was reversed. Grain moved from the developed world to the less developed world at the rate of 4 million tons per year in the late 1940's. During the 1950's this flow increased to 13 million tons per year. By 1964, the last year for which complete data are available, it was 25 million tons. We do not know exactly what the flow will be in 1966 but it is certain to be at least several million tons greater.

Over the span of one generation the total change in net trade--from exports of 11 million tons to imports of 25 million tons--totalled 36 million tons. Even more significant, however, is the fact that the massive food imports have not been adequate. Food prices have risen sharply in several less developed countries over the past few years. The gap between food needs and food production is widening even more rapidly than the import figures indicate.

The food problem itself is not new; it has always existed. It is the magnitude of the problem that has changed. Two factors are responsible. First, the number of people in the world is increasing so rapidly that it now seems quite likely that the increase in world population between now and the end of this century, only 34 years hence, will equal or exceed the current population. Secondly, this is occurring at a time when the amount of new land suitable for cultivation is rapidly diminishing.

Throughout most of history man has expanded the food supply along with population simply by expanding the area under cultivation. This method has been known ever since agriculture began several thousand years ago. As population increased, the area under cultivation expanded--from valley to valley, from country to country, and from continent to continent.

This period of history is now drawing to a close. Bringing new land under cultivation cannot account for more than a small part of the projected increase in world food needs over the remaining one-third of this century. Lacking new land to bring under cultivation, we must look to greater output per acre.

Over the past quarter century all of the increases in food production in both North America and Western Europe have come from rising output per acre. The area under cultivation in both regions has actually declined. During this period, per acre yields in North America have more than doubled and in Western Europe they have increased by half. In the less developed world they increased 8 percent.

As the developed regions have exhausted the supply of new land that could readily be brought under cultivation, they have generated take-offs in yield per acre. Today's densely populated, less developed countries, faced with rapid rates of population growth, are running out of new land while still in the very early stages of economic development.

Generating a yield per acre take-off requires capital to purchase yield-raising inputs such as fertilizer, pesticides and improved seed. It requires a favorable relationship between prices for farm products and the cost of these yield-raising inputs. The nonagricultural sector must be capable of providing agriculture with the physical inputs mentioned above and all of the services, such as credit, transport and marketing needed to support a yield take-off.

It is far easier to increase the food supply by expanding the area under cultivation than by raising output per acre. The failure to sufficiently appreciate the difference in these two methods and the difficulty in making the area-to-yield transition, particularly in underdeveloped economies, has resulted in a serious underestimation of the world's food problem.



I'd like to play the role of economic historian for a moment looking at the various means of adjusting food-population imbalances in times past, comparing them with the adjustments operating today. Throughout history adjustments of the imbalances between population and food have been frequent. The oldest adjuster, of course, is famine. Given the present state of technology and the values we attach to human life, this is no longer tolerable.

As the pressure of population on the land became unbearable during Europe's early industrial development, famine occurred from time to time, as in Ireland during the late 1840's. But famines did not occur often in Europe after the industrial revolution. Emigration and trade were by this time the principal means of maintaining a tolerable relationship between the number of people and the supply of food.

Emigration to less densely populated areas of the world was the most important single factor alleviating excess population pressure. It was the principal safety valve. The New World today is largely populated by the overflow from Europe.

Trade involving the export of industrial goods in exchange for food was another important factor. Historically Europe had a technological lead over most of the rest of the world. It was able profitably to export this technological lead, in the form of manufactures, buying the foodstuffs needed to feed its slowly but steadily growing population.

Other advanced countries outside Europe such as the United States, Canada, Australia, and New Zealand, were able to push back their frontiers throughout the early stages of development to make more room for their growing populations.

For those countries now struggling to develop, however, these traditional means of alleviating population pressure no longer exist. There are not any significant possibilities for emigration in the world today. Nor do today's developing countries have a technological lead over the rest of the world. In fact, they are confronted with a serious technological lag.

In today's developing countries, when the population becomes greater than that which the land can sustain and when export earnings are not adequate to cover food import needs, food imports under concessional terms have provided the only alternative to famine.

Since World War II, thanks to the productivity of our farmers, there has not been any large scale famine in the world, at least not in the Free World. The new safety valve in the food-population race is the U. S. Food for Peace Program. During the 12 years since Public Law 480, the enabling legislation for our Food for Peace Program, was passed, we have shipped abroad 140 million tons of food.

Wheat has become our primary weapon in the worldwide war on hunger. More than two-fifths of our wheat crop now moves abroad under the Food for Peace Program. In all, we now export three-fifths of our wheat crop.

On February 4, the President announced that another 3 million tons of grain, consisting of 2 million tons of wheat and 1 million tons of grain sorghum, was being made available for immediate shipment to India. Without this massive shipment of grain, India would face famine within the very near future. Never before in history has such a large share of the food-producing resources of one country been committed to the welfare of the people of another country as is now the case with the United States and India.

Until quite recently, efforts to achieve a satisfactory balance between food and people were concentrated largely on the food side of the food-population equation. Today we know that concentrating our efforts on the food side alone will not be sufficient.

To illustrate. Both Latin America and Western Europe have expanded food production at about 2.5 percent annually over the past decade. In Europe where population is increasing at about 1 percent per year this has meant progress and a steady upgrading of diets. But in Latin America where population has been multiplying at more than 3 percent per year, food output per person has declined.

Today's developing countries are faced with far higher population growth rates than those faced by the now-advanced countries at a comparable stage of development or, for that matter, at any time in their history. The sharp postwar spurt in rates of population increase in the developing countries has caused a whole host of new problems including greater unsatisfied needs for food, housing and for social services such as health and education.

Much of the aggregate progress achieved at such great cost to the developing countries over the past 10 to 15 years is being eroded by runaway rates of population growth. These uncontrolled rates of population growth pose a more serious threat to nutritional and economic well-being than any other single factor.

Fortunately, we are beginning to realize the danger inherent in these explosive population growth rates. President Johnson, in his San Francisco address last June commemorating the twentieth anniversary of the United Nations, pointed out that 5 dollars invested in family planning achieves as much progress as 100 dollars invested in other forms of economic development.

As we look ahead, we can see the time in the not-too-distant future when even our impressive food producing capability, combined with that of the rest of the free world, will not be sufficient to fill the rapidly growing food deficits in the developed world.

As of 1966 we are waging the war on hunger on three fronts. We are shipping food to the food deficit countries, buying time for them to modernize their agriculture; we are helping aid-recipient countries improve their own agriculture by providing technical assistance and modern inputs such as fertilizer; and we are helping with family planning programs.

In the Food for Freedom Act of 1966 we have introduced several new concepts which bolster our capacity to wage the war on hunger. These provide the means for narrowing the now-widening gap between food production and population growth in the less developed countries.



The world must prepare for a billion people to be added over the next 15 years. This fact in itself is significant. But even more significant, fully four-fifths of this total will be added in the food-short, less developed regions.

The adverse food-population trends of recent years are pervasive and they have a great deal of momentum. Arresting and reversing these trends will not be easy. The large number of females who will be in the reproductive age groups in the early 1980's are already born. Significant reductions in birth rates are not expected soon. Modernizing agriculture is a slow and time consuming process.

The modernization of agriculture in the developing countries means adopting new cultural practices and learning to use new inputs. It means altering the traditional behavior patterns of the rural people of Asia, Africa and Latin America--a group making up half the world's total population.

Time, or the lack of it, is the critical new dimension in the world food-population equation. Runaway population growth rates in countries with little new land to bring under cultivation require rapid changes in methods of food production. Changes taking centuries in the developed countries must be compressed into decades. Those requiring decades must be compressed into years.

Events of the past few years indicate that winning the race between food and people will not be easy. The gap between food production and food needs in the developing countries widened gradually during the 1950's. It is widening rapidly during the 1960's.

The race between food and people will not be won without a prolonged, difficult struggle. We must not be deluded into thinking otherwise. Nor must we think the United States can win it alone.

The strategy for winning the worldwide race between food and people is dictated by certain basic facts and trends. It is true that we have the last remaining, significant cropland reserve -- 60 million acres -- that can readily be called forth. But Canada, France, Australia, and, to some extent, Argentina also have productive capabilities beyond their own needs. Many countries in the world can contribute to a war on hunger proposed by President Johnson. If they do not have food to spare, they can contribute fertilizer and other agricultural chemicals, farm machinery, shipping, and other inputs needed to accelerate agricultural development.

So far, the contribution of the rest of the world has been limited. It is important that other well-fed nations increase their contributions. However, the major thrust, if we are to avoid world famine, must come from the United States.

The situation is not hopeless. Some developing countries report promising progress in efforts to both modernize agriculture and slow down population growth rates. Taiwan, Israel and Mexico have achieved impressive gains in food production. Both Taiwan and South Korea are, through nationwide family planning programs, beginning to reduce their population growth rates. These countries, however, are conspicuous because of their success. And among the scores of developing countries they are few.

Government leaders throughout the world must work together to attain an acceptable balance between food and people. But even this will not be enough. Leaders in all fields, in science and agriculture, in education and religion, and in industry and medicine, must work toward the common goal--toward the day when the world can attain an acceptable balance between the number of people and the supply of food--toward the day when enough food to ensure full physical and mental development will be the birthright of every child.

The prospective gains of this and future generations will be determined in part by what we do now. A peaceful world requires that people everywhere share in the progress that all have come to expect.

Among all the species of life on earth, man is the most intelligent, the only one capable of voluntarily choosing between the quantity of life and the quality of life. The extent to which this choice is exercised over the next few years will strongly influence the history of the remaining one-third of this century.

#### Conclusions

1. There is in the world today a widening gap in living levels between the "have" and "have not" countries. Nowhere is this growing gap so noticeable as in the most basic of human needs -- the need for food. This is the most significant social, economic and political fact of our time. It will completely dominate relationships between the "have" and "have not" countries over the next few decades.

2. Food shortages emerging in the less-developed countries are a symptom of a much broader problem--the unprecedented rates of population growth now prevailing in almost every less developed country. Other symptoms are housing shortages, lack of classrooms and rising numbers of unemployed.
3. Uncontrolled population growth in the less developed countries poses a more serious threat to nutritional well-being and to ultimate economic viability than any other single factor.
4. The densely populated, less developed countries face two severe handicaps as they attempt to make the transition from the area-expanding method of increasing food output to the yield-raising method. They have very little time in which to make the transition, and they must do it while still in the very early stages of development.
5. Winning the worldwide war on hunger requires that the war be waged on three fronts. We must continue to ship food to the food deficit countries, buying time with which they can modernize their agriculture; we must assist and encourage the food deficit countries to accelerate their agricultural development efforts; and we must help the developing countries with family planning programs, bringing their population growth rates down to manageable levels.
6. As we intensify our efforts to win the worldwide food-population race we face a prospective shortage of agronomists comparable to the shortage of engineers experienced in this country when we entered the space race several years ago. Our Land-Grant Universities must prepare to meet this need.



7. The future economic and political stability of the less developed countries is contingent on an adequate supply of food.
8. North American food and food producing know-how will be the decisive factors in the worldwide race between food and people.

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7 U. S. Department of Agriculture  
Office of the Secretary

The Number One challenge facing mankind in the remaining 34 years of the 20th century is how to feed the rapidly growing populations of the less developed regions of the earth, Secretary of Agriculture Orville L. Freeman said today.

The Secretary told a Senate Subcommittee studying world population problems that America's 60 million acres of reserve cropland and productive know-how are the key to winning the race between food and people.

He pointed out that in Latin America population has been increasing at more than 3 percent per year while food output per person has declined. As to the immediate outlook there, significant reductions in birth rates and increases in agricultural output so far have occurred slowly.

A generation ago the less developed regions of Asia, Africa, and Latin America exported 11 million tons of grain annually to the developed regions. Today the flow has been reversed, and grain is moving from the "have" nations to the "have-nots" at the rate of more than 25 million tons a year.

Secretary Freeman said the United States has a potentially effective means at hand, in the Food for Freedom Act of 1966, to lead the nations of the world in a war on hunger, as proposed by President Johnson.

Mr. Freeman said our strategy for winning the worldwide race between food and people must be dictated by certain basic facts and trends. Chief among them, on the side of need, are the population explosion, the threat of mass starvation, limited land for new cultivation, and America's inability to fill the food gap indefinitely. On the supply side are U. S. ability to increase its food production for the short term, and the know-how and food aid which we stand ready to export under the Food for Freedom program.

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Excerpt of remarks prepared for delivery before the Senate Subcommittee on Foreign Aid Expenditures of the Government Operations Committee at 10 a.m., Thursday, March 3, 1966, in room 4200 of the New Senate Office Building.

"More and more it appears that the task of feeding the rapidly growing populations of the less developed regions of the earth will be man's Number One challenge over the remaining three decades of this century," the Secretary told the Subcommittee on Foreign Aid Expenditures whose Chairman is Senator Ernest Gruening of Alaska.

"The food problem itself is not new; it has always existed. It is the magnitude of the problem that has changed. Two factors are responsible. First, the number of people in the world is increasing so rapidly that it now seems quite likely that the increase in world population between now and the end of this century, only 34 years hence, will equal or exceed the current population. Secondly, this is occurring at a time when the amount of new land suitable for cultivation is rapidly diminishing. Lacking new land to bring under cultivation, we must look to greater output per acre."

Secretary Freeman said that throughout history famine has been the principal means of adjusting food-population imbalances. Emigration and trade later became safety valves for alleviating excess population pressure.

Since World War II, he said, there has not been any large-scale famine in the free world, and the newest safety factor in the food-population race has been the U. S. Food for Peace program. Today, he said, India would face famine in the very near future if it were not for emergency wheat shipments from the United States.

"Never before in history has such a large share of the food-producing resources of one country been committed to the welfare of the people of another country as is now the case with the United States and India," the Secretary said.

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I congratulate you on a most successful year.

You have set a new high in volume of sales.

Your net earnings reached a new record.

And you are serving more people than at any time in the history  
of this great regional cooperative.

Cooperatives have a meaning and a purpose that transcends just  
sheer economic success -- and therein lies their remarkable appeal to people  
and their potential power and influence for social and economic good.

So when I congratulate you on a successful year, I do not mean  
just financial success -- though that must be gratifying -- I congratulate  
you on your total success as a great cooperative -- responsibly concerned  
with the total needs of your rural patrons and members.

This success is a tribute to the management genius of your general  
manager and my good friend, Art Smaby, to your officers and Board, and to  
the growing understanding and loyalty of your members.

The progress you and many other cooperatives are making throughout  
the Nation is highly encouraging to me. The wider use of the co-op  
mechanism for the marketing of food and fiber and for purchasing of farm  
supplies, and the expansion and merger of cooperatives to a more effec-  
tive operating level has been a primary objective of mine since I became  
Secretary of Agriculture.

Address by Secretary of Agriculture Orville L. Freeman, 40th Annual Meeting of  
Stockholders of Midland Cooperatives, Inc., Radisson Hotel, Star of the North  
Ballroom, Minneapolis, Minnesota, Monday, March 7, 1966, 8:00 p.m., (CST).



My experience as Governor of Minnesota and as Secretary has convinced me that the best and final solution for effective bargaining power for farmers will be created by farmers themselves.

This will be achieved when more cooperatives follow the policies of Midland -- policies that permit sound expansion and merger -- policies that require investment in research -- policies that prescribe a broad program of education and communication for the dissemination of new ideas and new concepts that not only will keep your cooperative abreast of the changing times and the changing needs of rural people but will put you in commanding position of real leadership in the community for years to come.

Yours is the kind of success I like to see.

#### Five Years of Progress

Now, if you permit me, I would like to talk about another success story -- a success story that people like you helped to write.

I'm talking about the remarkable progress agriculture and rural America have made in the past five years.

It is timely, I think, at this mid-point in the decade of the 60's, to take a quick look at this record -- a record that has significant meaning not only for farmers and rural people who depend on agriculture's well-being, but also for the whole Nation -- a record if you will that carries with it the promise of new hope for peace in the world.

Farm income is up. Net farm income reached \$14 billion last year -- 1965 -- a level that has been exceeded only five times in this century.

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This year, I predict, it will be even better.

This steady, solidly-based increase in farm income since 1960 has injected a new thrust and surge into the rural economy -- and a new confidence in its people. It has strengthened the adequate family farm -- in numbers -- in productivity -- in potential for the abundance of food and fiber.

The real cost of food, as measured by the proportion of family income spent to acquire it, is lower than ever before -- and the quality is better and the variety greater.

Grain surpluses have been nearly eliminated. The carry-over stocks of all farm commodities are the lowest since 1957.

Farm exports are at record levels approaching \$6.56 billion this year, substantially exceeding our 1961 estimates. They now account for one of every six dollars the farmer earns from the sale of his products. And these exports will continue to increase, as I shall point out later, under the new Food for Freedom program.

The Food and Agriculture Act of 1965 extends and improves for the next four years all the best features of the various voluntary farm programs we have developed and adds new basic features designed to continue an abundance of food and fiber at a minimum of cost to the taxpayer, at reasonable prices to consumers and at a stable, fair return to the producer.

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Farm Income on the Rise

We have not yet achieved parity of income for all farmers. But five years ago few farmers had reached this goal. Today nearly a half-million farmers earn parity of income.

Under this new program, net farm income over the next four years will average nearly \$2 billion a year higher than during the latter half of the 1950's. Net income per farm was more than \$4,100 in 1965, or about 40 percent higher than in 1960. Per capita income of farm people increased 35 percent, while non-farm income per person rose about 20 percent over the same period.

Prospects are bright that if we all cooperate to make our farm program work, adequate commercial farmers will be earning parity of income by the end of this decade.

But this is not all.

During the five years of this Administration, the Department of Agriculture has moved from the old traditional position that was almost solely concerned with the problems of farming to a concern that now includes the entire rural community and all its people.

-- We have more than tripled the size of the rural housing program.

-- We are assisting, with loans and grants, a thousand rural communities a year to construct community water and waste disposal systems.

-- We are helping rural communities, with loans, to develop needed recreational areas.

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-- We have launched a massive program to eliminate rural poverty.

-- We have re-structured the Department's local county offices and established a new agency -- the Rural Community Development Service -- in an all-out effort to bring to rural people all the available government services of health, education, community development and renewal that all too often never got beyond the boundary lines of our large cities.

Yes, we have come a long way in five years.

Most of you here remember the prevailing mood in agriculture five years ago -- it was one of pessimism and frustration.

The decade of the fifties was a period of unparalleled technical advancement and production explosion in agriculture.

But we were unprepared to cope with this miracle of abundance. We permitted that abundance to control us rather than making it serve us. We permitted it to depress farm income. We permitted it to become an unmanageable surplus at great cost to the taxpayers.

#### New Confidence - and a New Program

Today -- five years later -- where once there was pessimism and panic in agriculture, there is now new confidence and a clear and definite idea of how to achieve real parity for farmers.

-- Where once there was a weak and flabby agricultural economy, there is now new economic muscle.

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-- Where once there were deteriorating rural areas, there is now clear evidence of a new rural revitalization.

-- Where once we were fear-ridden by surpluses, we are now thrilled and excited by the challenge of using our abundance and great technological knowledge to relieve world famine and pave a new road of hope for lasting world peace.

And it is this challenge of using our abundance for peace that I now want to discuss with you. A new program has been launched.

It is called the Food for Freedom Program.

Less than one month ago -- on February 10th -- President Johnson, in a challenging, history-making message to Congress, challenged this Nation to lead the world in a war against hunger.

He proposed:

1. Expanded food shipments to countries where food needs are growing provided that self-help efforts are under way.
2. Increased capital and technical assistance.
3. Elimination of the "surplus" concept in food aid.
4. Continued expansion of markets for American agricultural commodities.
5. Increased emphasis on nutrition, especially for the young.
6. Provision for adequate reserves of essential food commodities.

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The response to this declared war on hunger, both at home and abroad, has been dramatic, enthusiastic and heart-warming.

Probably James Reston of the New York Times summed up the reaction best when he said -- and I quote:

" . . . when the history of this postwar generation is written, the quiet and generous policies of the American government are likely to stand out even above its military exploits . . . and nothing illustrates the point better than President Johnson's new efforts to relieve world hunger."

Then, Mr. Reston went on to say:

"He is no longer thinking of the Nation's food surpluses as a problem but as an opportunity."

Opportunity -- that is the key -- that is the substance of our role in this war against hunger.

This is our opportunity to prove to friend and foe alike our intense desire for peace -- our abiding willingness to help mankind -- wherever he is and whoever he is.

This is our opportunity to employ to the maximum practical our magnificent agricultural capacity.

This is our opportunity to share our vast technical knowledge, our research, our trained men, so that these famine-threatened countries can some day soon sustain their people with adequate supplies of food and eliminate forever the threat of hunger and famine.

And only when this is accomplished can we realize world peace.  
For as President Johnson has said:

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"Hunger poisons the mind. It saps the body. It destroys hope ... and when men and their families are hungry -- the world is restless and civilization exists, at best, in troubled peace."

#### Agriculture at War

The dimension of the challenge and the opportunity we face has been put this way:

Food and agriculture are the most persuasive of all arguments for convincing the uncommitted two-thirds of the world's people that the path to a better future for themselves and their children is to be found in choosing freedom over communism.

Recently I visited Vietnam. There, I am confident, the forces combined against totalitarianism will win a military victory. But the victory won't hold unless agriculture goes forward with the troops. This is truly a two-front war. The Declaration of Honolulu means what it says: Military victory and social revolution must advance together.

Agriculture is the key element in securing villages and hamlets won in the shooting war.

Let us then take a penetrating look at the magnitude of the problem and the opportunity before us.

It took all the history of mankind until the beginning of this century to put a billion people on earth. Today we have 3 billion people -- more than half of whom are ill-fed or facing starvation. With world population expanding at unprecedented speed, we shall have nearly six billion people by the year 2000 -- just 34 years from now.

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The United Nations estimates that many of the countries of Asia and South America and Africa will have to increase their total food supplies 103 percent by 1980 and by 261 percent by the end of this century, even to maintain a minimum standard of nutrition.

And, incidentally, our own nation's population will be nearly double in the year 2000 -- some 350 million as compared to less than 180 million in 1960.

Thus the world faces a problem and a challenge of staggering proportions.

World stability and world peace are threatened.

The Food for Freedom Program is our answer.

The United States has the productive capacity and the technical knowledge and personnel -- and therefore the opportunity and obligation to lead the way in meeting this threat of famine.

No other country has the capacity to do this.

The superiority of the United States and the free nations is nowhere more evident than in the production of food and fiber.

We are producing our food abundance with less than 10 percent of our people on the land; by contrast, the communist nations cannot feed themselves with over 50 percent of their people on the farm.

Yields per acre in this country have increased 109 percent in the last 25 years -- only by seven percent in Asia.

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These are some of the realities in world agriculture and in the race for human survival -- and they are not being overlooked by the new and hungry nations.

The Food for Freedom Program and our domestic farm commodity programs complement one another. We have the capacity to produce what we need for aid, and at the same time to meet all domestic requirements, commercial exports, and still maintain needed reserves. Our new commodity programs are adjustable enough to meet changing demands.

The amount of food needed will increase in the years ahead. As needs increase we will call back into production some of the acres now diverted. This is a favorable prospect for the farmer and for the agribusiness community that serves him.

However, a word of caution is in order.

It is imperative that we maintain a sense of perspective and that we use good judgment as we plan to carry forward the Food for Freedom Program.

The consequences of immediate, unlimited farm production could be disastrous. Right now, the hungry nations of the world would find it physically impossible to transport, store, or distribute all we have the ability to produce for them. All-out production, for the time being at least, would result in top-heavy surpluses and falling farm income.

What is more, we must be increasingly alert to the danger of the food-deficit nations short changing their own agricultural development by depending upon U. S. food as a crutch. If we permit that, we invite eventual

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world famine because -- great as our production capacity is -- we cannot meet the food needs of an exploding world population for more than a few years.

President Johnson has told the Congress that self-help is "the key to victory" in the war against hunger.

The countries we help must step up their efforts to increase their own food production. We will insist upon that ... and help them to do it. The Food for Freedom legislation makes provision for this.

Permit me to cite an example which in part has motivated me to make the point strongly tonight that the time for all-out production is not yet.

An increasing number of major farm organizations have been speaking out about the importance of the 1966 feed grain program.

During the last two or three days, statements have come from the National Grange, the National Farmers Organization, the National Farmers Union, and the Midcontinent Farmers Association urging feed grain farmers to sign up in the 1966 program. These farm leaders have pointed out that feed grains do not have the same place in the world feeding program that wheat, rice, and some other crops have, and that current efforts to combat hunger and starvation in the underdeveloped nations will call for only modest quantities of feed grains.

These organizations have urged farmers to sign up in the feed grain program. They have pointed out that we still have heavy surpluses of feed grains, and that if farmers do not participate in the feed grain program

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surpluses will climb rapidly. If that happens, there would be a break in the currently high prices of feed grains that would have a strongly depressing effect upon farm income.

#### Importance of Private Sector

I am confident that by avoiding extremes and using good sense we can continue to improve our farm income at home and at the same time fulfill the hopes we have raised around the world with our Food for Freedom call to action.

Finally I would emphasize that: If we are to win this war on hunger in the world, it is going to take more than the Department of Agriculture, more than the cooperation of farmers -- it is going to require the full cooperation of the private sector of our economy.

It is going to require large amounts of investment risk capital from the fertilizer, the chemical, the farm machinery industries. It is going to require their expert technical knowledge and engineering experience. And if the blight of malnutrition is to be eradicated, our great food processing industry must take the lead to develop new protein-enriched products and distribute them where needed. I am happy to report that in this great food processing Twin Cities area much promising work is being done by companies headquartered here.

You know and are properly proud of the laudable work already being done by the cooperative movement in spreading agricultural know-how, as well as food, in the developing countries. Invaluable contributions have been made since 1962 by Midland, by the Cooperative League of America, by the National Rural Electric Cooperative Association, and by others.

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Midland and the Co-op League presently have more than 50 trained people in Asia, Africa, and Latin America, working under U. S. government contracts. Others have been sent at your own expense.

The NRECA -- right up to the minute -- has six men in Vietnam organizing rural electrical co-ops to bring new light to the farmers of that beleaguered land.

### A Forecast

I should like to conclude by sharing with you my own forecast of the course of this new war against hunger -- a view of the potential outcome of the frightening race between population and food supply.

I make this forecast in the light of another explosion that has taken place in our generation -- one that can hold far greater meaning, and that certainly holds far greater hope, than the explosion of population. I refer to the explosion of knowledge that characterizes our times.

Science and technology have progressed so far that it is now physically possible to produce enough for abundance for all.

But science and technology have likewise progressed so fast in the physical and material fields that our knowledge about the social, economic and political relationships necessary to realize that abundance has not caught up.

The race is not so much one between population and food supply but a race between what could be done and what will be done.

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What could be done has been largely determined by scientific and technological progress.

What will be done can be influenced in a large measure by how we take the lead in launching this all-out war on hunger.

When that is done, I foresee, in the years ahead:

- A likely increase in our food aid programs, as they are used to meet the deficit in developing countries making a major effort to increase their own food production.
- A consequent corresponding increase in American farm production, responsibly carried out under our adjustable farm programs. As I see it, some, but not all, of our diverted acres will be needed immediately.
- A gradual shift from aid to trade, under which our declining exports for Food for Freedom would be more than made up by increasing exports on commercial terms. These increased exports for dollars would be a product of the development that our food aid had helped to bring about.

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-- As agricultural progress stimulates accelerated economic growth in the developing nations, I would hope to see higher standards of living, rising incomes, and a growing volume of international trade. As poverty, dependence and insecurity decline, and as more of the developing nations become able to stand on their own feet and enter the international commercial market, I would expect a more rational pattern of international trade to develop. That would mean, for the American farmer, a very substantial increase in our exports of those commodities for which we have a real comparative advantage.

Most important of all, I would look forward hopefully to a future of peace and freedom, where

-- peace would be more secure,

-- and freedom more widely cherished because the fear of hunger no longer threatened the people of any nation.

The Food for Freedom Program is directed toward that goal. Its appeal has already aroused deep interest around the world.

The United States of America today has an unparalleled opportunity to use its abundance to the benefit of all.

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Today, as you know, marks the 20th anniversary of this Farm Forum.

Twenty years is really not a very long time.

No doubt some of the members of the Minneapolis Chamber of Commerce active in the sponsorship of the first of these Ninth Federal Reserve District Farm Forums helped arrange the 1966 program.

Many of those who addressed the Forum sessions in the late 40's are still constructively prominent in the fields of education and government, farm organizations and farming, business and industry, economics and finance, and journalism.

And while tenure is not ordinarily counted among the fringe benefits of service as United States Secretary of Agriculture, in the 20-year history of this Forum there have been but four such Cabinet officers. All are very much alive, which leads me to conclude the job is comparable to hay fever--frequently discomfoting, rarely fatal.

In calendar terms, one can tick off 20 years in a hurry.

But in terms of events affecting people and institutions around the world, the lifetime of this Forum is marked by more changes...more challenges ...than have occurred in any comparable time period in all the history of civilization.

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Address by Secretary of Agriculture Orville L. Freeman at the Farm Forum of the Ninth Federal Reserve District, sponsored by the Minneapolis Chamber of Commerce, Radisson Hotel, Minneapolis, Minnesota, Wednesday, March 9, 1966, noon (CST).

Reciting them from A to Z would require not hours, but days -- not pages, but volumes.

I shall limit myself to the A's:

Atom...and,

Agriculture.

When the first of this series of Forums was staged, the United States of America possessed a monopoly in the military potential of nuclear energy.

Today there are at least five possessors--not all of them in the same ideological camp.

When the first of this series of Forums was staged, we all knew that the postwar technological revolution in American agriculture was past the fermentation stage--but we were not sure of the shape, or the scope, or the direction of its economic and social impacts. The exploratory attitude of 1947 is reflected in the fact the Forum that year had no theme.

Twenty years later--in 1966--there is in progress in Geneva an international conference aimed at preventing further proliferation of the atomic bomb...

And, 20 Forums later, in this year 1966, there is in progress in Washington and--hopefully--in other capitals the preparation of programs to accelerate world-wide proliferation of food production and consumption.

I do not wish to appear glib, or smart-alecky. This is a time for deed-doing, not phrase-making.

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Yet I believe that in creating a world environment in which there is a constant rise in reverence for life...for individual dignity...for knowledge...for freedom...for peace and security...there is a clear-cut relationship between bomb and belly.

The world will become increasingly better-fitted to shrink the one if it stretches the other.

There are no good dreams, there is no hope, in hunger.

The sparks of ambition find no fuel in malnutrition.

Loyalty, respect, reason and compassion cannot sink sound roots in want.

Yet dreams, hope, ambition, loyalty, respect, reason and compassion are the basic ingredients of individual freedom...and of national and international peace and security.

We live in a world of rising expectations. In every village and on every farm in the newly-developing parts of the world are people who now know that somewhere...somehow...families are adequately fed and clothed and housed...

that somewhere, somehow, men and women find rewards in work...find joy in happy and healthy children...draw easily from stores of old and new knowledge...

and they want that somewhere to be where they are--that somehow to be within their reach.

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Whether they choose to try shooting their way to the somewhere and somehow, or learning and working their way to it, depends upon the type of help they are offered--and accept--in helping themselves.

The constructive, freedom-building route is paved with food, fertilizer and family planning. The destructive, dictatorial route is marked with the flame of bullets and bombs.

That sentence may be too terse, but it is not over-simplification.

Those who would lead men into wars of liberation with bullets are those who have a distinct record of failure in fighting wars of liberation with food....a distinct record of failure in nurturing the vital ingredient of national social and economic growth--a productive and rewarding agriculture.

There is reason to believe that throughout the less-developed world there is growing appreciation for the fact that those who propose the Communist route to food and fiber abundance do not set a very good table at home.

It is in capitalizing on this understanding in the interests of true freedom that ideological, as well as humanitarian, rewards lie ahead for our own and the other developed nations of the Free World.

We want people everywhere to be free, and fed.

We are making this fact clearly understood in Viet Nam.

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Perhaps I can best emphasize what I am trying to say by putting it this way:

Food and agriculture are the most persuasive of all arguments in convincing the uncommitted two-thirds of the world's people that the path to a better future for themselves and their children is to be found in choosing freedom over communism.

Vast populations who are underfed or undernourished are not the most fertile ground in which to plant the seeds of freedom. Their strength is sapped, their will is blunted. Still, they have needs and desires basic among all people. They want to save 270 million malnourished children who are in danger of permanent physical and mental impairment because of lack of proper food.

Recently I visited Viet Nam. There, I am confident, the forces combined against totalitarianism will win a military victory. But the victory won't hold unless agriculture goes forward with the troops. This is truly a two-front war. The Declaration of Honolulu means what it says: Military victory and social revolution must advance together.

Agriculture is the key element in securing villages and hamlets won in the shooting war.

And...agriculture is the key element in securing better, peaceful lives for people everywhere.

So that these better, peaceful lives can be more rapidly realized, our President--just a month ago--proposed to the Congress and our people -- in a history making message that I urge you to read -- that the United States

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lead the world in war against hunger -- that we mobilize our food for freedom.

We are now seeking, through the Congress, the legislation that will make our food and fiber, and our production and distribution and marketing technologies, increasingly effective weapons in that war.

In the business of helping others help themselves in expanding food production and consumption, our nation is better equipped than ever before.

Just as only the strong can be truly free, so it is that only the strong can be genuinely helpful to those seeking to help themselves.

American agriculture is strong...physically, productively, economically and socially...standing taller than it did as recently as five years ago, when this Forum was devoting its attention to New Dimensions for Agriculture at Home and Abroad. I think it is timely to review what has happened during the intervening five years.

Since the start of this decade of the 60's we have seen:

1. The adequate family farm--the type of farm fully equipped with management and productive resources essential in today's agriculture --grow steadily in numbers.
2. We have seen farm income increased by an average of 40 percent per farm.

(more)



3. We have seen the wheat surplus--that amount beyond requirements of domestic markets and reserves and export needs--reduced by almost half...and the feed grain surplus by almost a third...helping bring the government's over-all investment in farm commodities down by 20 percent.

4. We have seen farm exports increased by a third--to new all-time highs.

And,

5. We have seen the adoption of a national, long-term production and price-support policy that responds quickly to new situations and needs ...that makes the free marketplace an ever-increasing factor in a sound agricultural economy.

We can, here in the great agricultural states that make up the Ninth Federal Reserve District--and across the entire domestic farm front --anticipate for the years immediately ahead:

1. A continued gain in the numbers of adequate family farms, and continued progress toward the goal of parity of income opportunity for their operators.

2. We can anticipate rising demand for farm commodities as a whole, with perhaps year-to-year variations. For example, we currently have need for expanded outputs of such crops as wheat, rice and soybeans; but maintaining feed grains production somewhere around the levels of recent years will be an adequate response to foreseeable domestic and export requirements.

(more)

3. And we can anticipate increased utilization of our farm products abroad--in cash markets and in implementation of the agricultural development of now-hungry nations through self-help programs.

We do not, of course, look upon the export market as a stranger --our own marketing aggressiveness, plus the course of world events, has made us in the years since World War II a growing source of world food supplies.

Since that war the location of the world's granaries has been almost totally reversed.

This reversal reflects the great change that has taken place in the world of agriculture since the first Ninth Federal Reserve District Farm Forum.

In the 1930's, North America had a relatively small share of the world's grain trade--falling well behind Latin America and Eastern Europe (including the USSR)--and not much more than equaling the combined grain exports of Africa and Oceania.

Now, however, Latin America, Eastern Europe including Russia, and Africa import rather than export. The major exporters are the United States and Canada, trailed by Australia and New Zealand.

North American grain exports are currently 60 million tons a year--three-fourths from the United States, the balance from Canada.

Last year we exported three-fifths of our 1964 wheat crop, with a fifth going to India, two-fifths to other nations.

(more)

USDA 686-66

Our agricultural exports have made their most spectacular advances in the 60's. Between fiscal 1960 and fiscal 1965, wheat exports jumped from 442 to 724 million bushels...

soybean exports rose from 132 to 209 million bushels...

rice from 20.5 to 28.6 million bags...

oilcake and meal from 867 to 2,355,000 tons, and soybean and cottonseed oil from 1.6 to over 2 million pounds...

feed grain from 12 to 20 million tons...

hides and skins from 7.8 to 17.9 million pieces, and...

canned fruit from 370 to 550 million pounds.

This market expansion--covering some of the major products of the farms of Michigan, Wisconsin, Minnesota, the Dakotas and Montana--didn't just happen. It resulted from continuing emphasis on removal or lowering of trade barriers...establishment of a domestic pricing system better adapted to world market competition...aggressive trade promotion in association with producers, processors and distributors of the 50 states...and Food for Peace.

Our agricultural exports in the current fiscal year will go above \$6 billion for the third year in a row...perhaps to another new high of \$6.5 billion. By 1970 the value of our farm exports can well reach a figure of \$8 billion a year--with three-fourths of it for dollars.

(more)

Many of you here and throughout this great Federal Reserve District took an active lead in building this record of trade progress. I salute you.

Just as we are no strangers to food trade, neither are we without a substantial record of experience and performance in food aid--dating back over a decade.

We've been using Food for Peace to meet famine emergencies, in child nutrition programs, in supplementing the domestic production of developing nations, and as an investment in their internal economic and social progress. In the process of spending \$15 billion and distributing 140 million tons of foodstuffs all over the world we have done much and learned a great deal.

The Food for Freedom Program now being perfected by the Congress at President Johnson's request reflects what we have learned. It is not a replacement for the Food for Peace program. Rather, it sharpens and broadens our previous efforts. It puts strong emphasis on the self-help agricultural development effort essential to increase the ability of the less developed nations to feed themselves, and in the process to boost their total economies from an improved rural base. And feed themselves they must, for in just a few years population growth in the less developed countries will outrun the productive capacity of the Free World to feed them.

Under the Food for Freedom Act we will continue to ship food to hungry people while they...with our help and know-how...accelerate efforts to modernize their own agriculture. At the same time, we must help them with family planning programs in order to bring their population growth rates down to manageable levels.

(more)

USDA 686-66



It is imperative that this be done.

It is no secret--here or abroad--that the world food deficit--in terms of quantity and nutritional value--is more critical than two or five or ten years ago. Primarily responsible for the added intensity of the crisis is a population growth in developing nations that far out-runs gains in food production. Even where there is more in total, there is less per capita.

In waging war on hunger, and asking all nations...both developed and developing to join in the fight...we respond to both responsibility and opportunity...

responsibility in humanitarian terms, opportunity in idealistic and economic terms.

It is those nations which become self-sufficient who are most likely to join the society of the politically and socially free...and it is those nations which have growing economies that become the best dollar customers for our farm products.

Fortunately, in the great struggle, world-wide, between communism and freedom, we hold a trump card--and its name is technology.

Communist strategy is people-oriented and power-oriented.

We can overcome it with a strategy that is people-oriented and technically-oriented.

(more)

We have built the greatest food and fiber plant in all the world. We know how to handle land, chemical inputs, crops and livestock and poultry...we know how to produce more and better foods from fewer acres. And we know how to teach, and encourage, and inspire.

We can help people make the productivity of land a better and more constructive source of power than gunpowder.

For food is power. And we ... the Free World ... but primarily the United States ... possess this power to a degree that no challenger can hope to rival. Food and agricultural know-how are the most humanitarian of weapons -- but at the same time devastating weapons -- that, given time and properly utilized, can sweep totalitarianism from the face of the earth.

Well-fed people ... contented, educated people ... reject totalitarianism.

For the reasons I have attempted to highlight here today, and many others of which you are fully aware, it is clear that the Food for Freedom program now before the Congress is of enormous importance to the United States and all the Free World. Perhaps no more important legislation has ever been sent to the Congress.

I urge you to read the inspiring Food for Freedom message that the President sent to the Congress on February 10. Further, I hope you will keep informed as this program moves forward in the Congress. It has broad support ... but there is also opposition.

(more)

American agriculture became great as a result of a combination of education and technology, together with the contributions of business and industry.

Looking ahead: I am hopeful that ... along with training teachers and technicians in developing nations under the Food for Freedom program ... we shall see salesmen of seeds, fertilizer, insecticides and herbicides and farm magazines going from village to farm. The private sector of the economy here and there must perform aggressively if the war against hunger is to be won.

Successful war on hunger demands far more than government-to-government communication. It also demands business-to-business, industry-to-industry, teacher-to-teacher, and people-to-people communication ..., and cooperation.

We are, you and I and all Americans, off on the greatest adventure of our lives ... an adventure that, as our President has declared, will:

Raise a new standard of aid for the hungry, and for world agriculture.

Proclaim our commitment to a better world society-- where every person can hope for life's essentials--and be able to find them in peace; and,

(more)

USDA 686-66

Proclaim the interdependence of mankind in its quest for food and clothing and shelter.

It is an adventure, President Johnson said, built on three universal truths:

That agriculture is an essential pursuit of every nation,

That an abundant harvest is not only a gift of God, but also the product of man's skill and determination and commitment,

That hunger and want--anywhere--are the eternal enemies of all mankind.

These truths have been familiar to this Forum for two decades.

Your past and future concern with advancing them will continue to make an important contribution to the final victory. For this, the cause of human freedom and well-being can indeed be grateful.

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Statement of the Honorable Orville L. Freeman  
Secretary of Agriculture  
before the  
United States Senate Agriculture and Forestry Committee  
10 A.M., March 10, 1966

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Mr. Chairman, Members of the Committee:

Just a few days ago I appeared before this Committee to discuss Food for Freedom -- the world-wide war on hunger and malnutrition.

And as President Johnson did in recommending to the Congress legislation that will give our Nation a more dynamic and constructive role in responding to present and future world food needs, I placed major emphasis on self-help.

We cannot win the war on hunger unless developing nations steadily increase the productive, economic and social strengths of their own agricultural systems. Unless our assistance to them is directed toward that goal, few battles in the war on hunger can be won--and the war itself will be lost. Our assistance can only support the internal will, the self-generated progress, of hungry nations. It cannot successfully substitute for those essential basic values.

Today I want to bring the self-help concept back home, and relate it to domestic wars -- those we are fighting against congestion, social strife, inequities in opportunity, pollution and ugliness, and the maldistribution of space for family living.

Again, the role of Federal government -- through the Congress -- is to provide people with the best possible kit of self-help tools.

The proposed Community Development District legislation can, I believe, add a greatly needed -- and effective -- tool to that self-help kit.

It can help speed the process of enlarging opportunities for more people to live where there's more space -- in rural America.

It can help restore fundamental personal freedoms that are now being denied our people by the lack of balance in the distribution of living places. Not long ago Mayor John W. Lindsay of New York City, in a Saturday Review editorial, pointed out that the price of city living is being paid by the sacrifice of fundamental personal freedoms--and he listed among the freedom sacrifices these:

Freedom to send children to school with the knowledge that classrooms will be bright and clean, the teachers skilled, the instruction challenging.

Freedom to find a job or join a union without being frustrated by racial or religious discrimination.

Freedom to move about the city with reasonable speed and convenience on a public transportation system.

Freedom to breathe the air and use the waterways with equanimity.

Freedom to use the sidewalks and parks at night without fear; and,

Freedom to rent an apartment or buy a house at reasonable cost.

These sacrifices of freedom will affect more and more people if we continue the trend of concentration.



Our big cities are working full time at the task of restoring and maintaining a healthy social and economic environment for the people they already have. They can only work harder, yet lose ground, if they must absorb more and more families.

The water shortages which have hit New York City are more serious than those caused entirely by drouth--and are indicative of the difficulty which the megalopolis has in providing adequate services for its citizens.

Air pollution is no longer just a Los Angeles problem, nor is it exclusively associated with heavy industrial areas. It is beginning to appear wherever people are crowded together. There's little industry here in the Washington area, yet there are days when smog shrouds the Potomac.

When a dispute over public transportation can halt the commercial, business and cultural life of millions of people--and when we see a combination of frustrations lead to the violent expression of resentments--surely we are seeing signals that it is time to consider alternatives to ever-larger urban complexes.

A promising alternative is making more adequate public and private services--and more jobs--available in rural America.

Community Development Districts offer a way to effectively explore, and exploit, this alternative. They can contribute to the building and rebuilding of a physical, social, economic and cultural environment which by 1975 must accommodate 225 million men and women and children.

Whether we force 225 million Americans to stack up, or enable them to spread out, is a decision our people, our business and industrial and service and banking communities, and every level of government faces right now.

If the present trend in the placement of people continues, there will be just as many of us in 216 cities two decades from now as there were in the entire nation in 1960...enough more people in cities to provide five more New Yorks, or 27 more Washingtons.

Such population pressures will tend to minimize the efforts our major cities now are making to wipe out social and economic ghettos, ease traffic congestion, take pollution from their air and waterways, raise respect for law and human dignity, and improve educational and employment opportunities.

Maintenance of the trend toward concentration of people will also continue the under-utilization of human and natural resources in rural America--both of which, fully used, can enrich the total quality of our nation's social, cultural and economic life.

The current ills of both city and countryside can be substantially cured by building an environment which adds steadily to equality of opportunity in both--so families may choose places to live, rather than being pushed into them.

When freedom of choice is provided by equality in opportunity for work, for education, for public services, for health care, rural America can successfully compete for people. The built-in joys of rural

community life--in terms of ease in travel and communication, cooperative spirit, respect for individual dignity, and closeness to the beauties and the recreational facilities provided by nature itself--are as abundant as its agriculture.

It is to help people raise the quality of their environments that the Congress, over the past two years, has provided an arsenal of self-help weapons unmatched in size, scope and quality in all the past history of nations and governments.

The legislative package provides weapons to attack poverty, pollution of air and water, substandard rural and urban housing, and diseases.

It makes available mechanisms for maintaining food and fiber abundance, and for the maximum utilization of this abundance.

It opens avenues to greater achievements in education and science, in manpower training and development, in multiple-use of natural resources, and in the conservation and enjoyment of natural beauty on streets and country lanes.

All these weapons, and mechanisms, are being employed.

But experience has taught us that many of them can be made more effective in rural America if launched from a broadened planning base. It is that experience that has brought us to the Community Development District proposal.

Before moving on to the potential contained in Community Development Districts, let me review--briefly--some of the aspects of rural American progress in which this Committee and the Department of Agriculture have had contributing roles.

Physically, and economically, the basic industry in rural America ...Agriculture...has made great forward strides. The steady growth in the numbers of adequate family farms, the consistent rise in income per farm, the reductions in percentage of income invested by consumers in food abundance (currently about 18.2 percent, the lowest in history)--all stand as monuments to the ability of our farm people to effectively employ the flexible production and price-support programs made available to them.

Better management of privately and publicly-owned natural resources is being accompanied by rising variety in uses--for flood prevention, for water storage and distribution, and for every phase of outdoor recreation.

One of the shining examples of progress in rural America in recent years is the development of public water service systems. For the first time more than a half-million rural people have fresh, pure water running into their homes through systems developed with 1,125 Farmers Home Administration loans amounting to over \$140 million. This year, along with more of these rural water distribution systems, I predict that USDA assistance will go into approximately 500 new rural community waste disposal systems.

I'm sure Members of this Committee share my belief that there are few greater experiences a public official can have than that of seeing a program moved from the legislative drawing board into performance by, and for, people.



Last January I went to Addison County, Vermont, with Senator Aiken, for a ceremony marking the beginning of a water system serving three rural communities.

The project began when a citizen asked a simple question: Why can't we have water in our homes without having it delivered by truck?

The community, the Governor and Legislators of the State of Vermont, and Senator Aiken agreed that was a good question. The answer required long hours of planning and hard work by citizens of the Vermont communities. State legislation was required. And the effort contributed to the adoption by Congress of the Aiken-Poage Bill--which not only expanded the Federal rôle in assistance to communities in need of water distribution systems, but for waste disposal systems as well.

The Vermont experience proves that much can be accomplished when there is a dedication to progress at the community level, communication between people and government, and coordination and cooperation in sharing and investing local, state and federal resources.

The progress already made in agriculture and natural resources has generated its own new momentum.

But if we are to make it possible for families to stay in rural America who are not needed in food production and resource conservation... and make it possible for more families to move there and know more of the advantages of big city life while escaping many of the disadvantages... more effective use must be made of the self-help kit in the areas of schooling, housing, health, job training, and business and industrial development.

As President Johnson pointed out in his January 25 Message to the Congress on Community Development, even with the help of the great new programs enacted by the Congress "too few rural communities are able to marshal sufficient physical, human, and financial resources to achieve a satisfactory level of social and economic development."

In comparing metropolitan and rural areas, the President explained that the central advantage of the city has been that a large and concentrated population can provide the leadership and technical capability, and can achieve economies of scale in operations, to provide adequate public services and facilities for its people.

"On the other hand," he continued, "It is difficult if not impossible for every small hamlet to offer its own complete set of public services. Nor is it economic for the small city to try to achieve metropolitan standards of service, opportunity, and culture without relation to its rural environs. The related interests of each--the small city and its rural neighbors--need to be taken into account in planning for the public services and economic development of the wider community. In this way the benefits of creative federalism can be brought to our rural citizens.

"The base exists," the President said, "for such coordinated planning."

The base is the new community brought into existence by our advancements in travel and communications. This community has no boundaries on the existing maps. It is rather informally marked by the trading or commuting patterns which rural and city residents have drawn in driving to jobs, to stores, to college, to the homes of friends, and to recreational and cultural facilities.

It is a functional community, usually with a small or medium-sized city at the center, surrounded by rural counties within commuting range. This concept is pictured in the Typical Community Development District outline prepared in the Department of Agriculture, which perhaps you will wish to include in the Record of this hearing.

When united for planning purposes, the people and governmental units of such a functional community are the best equipped to assess the area's needs, and to determine the combinations of internal and outside resources essential to lifting the levels of opportunity.

They are better able to coordinate and cooperate, and thus minimize both competition for state and federal resources and the possibilities for duplication.

And they are better-fitted to keep decision-making, and the implementation of decisions, in the hands of local officials responsible to voters in regular elections.

It is not intended that Community Development Districts shall be fabricated in Washington, and shipped out to the various states. The creative processes must begin at community and state levels. And the operations mechanisms are designed not to put a new planning apparatus on top of those now available, but to make all of them work with greater efficiency and unity.

Federal assistance to the Community Development Districts would help to support three areas of action:



1. Coordinated and comprehensive planning for all public services, development programs, and governmental functions within the District.
2. Continuing liaison with Federal and State agencies.
3. A comprehensive survey of resources and needs within the District, such as labor skills, industrial sites, land and water resources, health care, education, cultural opportunities and public services.

The scope of planning to be supported would not just cover physical development, but the social and economic needs of the area, and its potential for growth.

It is in exploitation of the growth potential that we shall achieve the desired balance in the relationship of space to people.

The United States is not alone in realizing the desirability of such balance--it is a goal of developed nations in other parts of the world.

The Wall Street Journal recently reported that decentralization of business and industry is changing the face of Europe.

"Once huddled almost exclusively in such historic production centers as the English Midlands and the German Ruhr, more and more companies are switching operations to areas previously deemed suitable only for peasants and tourists," the Journal said.

Some governments are holding out incentives for business and industry to locate in rural areas, and some are combining incentives with regulations that discourage adding to existing metropolitan space and social problems.



The best incentives for American industry and business to direct their expansions into rural areas are self-interest, and the national welfare.

The Chairman of the National Business Advisory Council, W.B. Murphy, is president of a company--Campbell Soup--which has built 20 of its 26 plants in rural communities.

One of ~~the~~ major benefits to industry available in rural America, Mr. Murphy says his company's experience has proved, is a labor supply with good work habits that shows quick response to new-job training. Another advantage is high executive and worker morale in a neighborly, easy-to-travel in, and physically attractive environment.

Beyond that, Mr. Murphy contends, business and industry have a stake in halting the migration from rural areas that can only add to the already-serious congestion of the major cities.

Along with incentives, however, business and industry need encouragement to bring rural America into consideration as a location for their new developments. I'm confident they'll find that encouragement in rural areas where the people are effectively planning, programming and promoting improved quality in education, health and other public services, housing, and multiple-use of natural resources.

Let me conclude with a reference to our greatest national resource --our children.

The new Commissioner of Parks in New York City, Thomas Hoving, recently visited one of the parks under his jurisdiction and saw there a mound of dirt--about 20 feet high and 40 feet across. Kids were playing on it, but a contractor was about to haul it away. Mr. Hoving told the contractor to leave it there. Let me tell what happened next in the Commissioner's words:

"Some people in the Department said we couldn't possible leave it there, because the mound contained three thousand dollars worth of topsoil. I reminded them that a standard concrete sandbox costs from six to eight thousand dollars. We left it there. A couple of weeks ago, some children in that area went sledding for the first time in their lives."

As I am sure you do, I stand solidly beside the Commissioner in wanting hills for children to slide upon, sand for children to build in...

But doesn't it seem ridiculous to contemplate creating more and more artificial hills at \$3,000 each...more and more \$8,000 sandboxes... when we have so many places in the nation where the hills and the sand are real, are more abundant, and are free for children whose dads have rewarding work there, or who can move into rural America and find such work?

There's something for everybody--including our children--in a purposeful and successful program of Rural Community Development.

It is in helping rural Americans help themselves improve their total environment, so that more and more families can know freedom of choice in living places, that the Community Development District proposal has merit, and great promise.

Community Development Districts - A Means of  
Improving the Quality of Rural Life

(Detailed Explanation of Proposed Community Development  
District Act of 1966 by Orville L. Freeman, Secretary  
of Agriculture, at Hearings of the Senate Committee  
on Forestry and Agriculture, March 10, 1966)

Our goal for one-third of our people who live in rural America is to raise the quality of life and the level of opportunity to a par with the continually rising standards we expect in our metropolitan areas.

Many aspects of the quality of life on farms and in country towns have never been on a par with the quality of life available to middle class people living in larger towns and cities. Economic opportunities, public facilities, health service, and education and training continue to lag in rural life.

A program to raise the quality of rural life requires a massive attack against such practical disadvantages as the inadequacy of water and sewer systems, lack of public health services, small and poorly staffed schools, inadequate community services, and the shortage of jobs at good pay.

New legislation enacted by the First Session of this Congress, and in other recent years, provides substantial authority and the basic means for the needed massive attack to help raise the quality of life and the level of opportunities for all our citizens. Additional measures to be considered by the current session of Congress will further reinforce and round-out this capability.

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The Need and Benefits of Planning

Few rural communities, and few of the small and medium-sized cities in predominantly-rural areas, are able in isolation to marshal sufficient physical, human, and financial resources to achieve a satisfactory level of social and economic development, even with the help of the many new Federal programs enacted by the Congress during the last five years.

The proposed Community Development Districts, to be initiated on a pilot basis, will provide an incentive and an administrative vehicle for coordinated planning on the basis of a unit of sufficient size and scope to permit more efficient use of local, state and other Federal resources available from existing sources. The District unit will provide for fair representation of all the interests in the planning for public services and government functions where other planning assistance is not available.

The central advantage of the city has been that a large and concentrated population can provide the leadership and technical capability, and can achieve economies of scale in planning and operations, to provide for its people a variety of highly developed public services and facilities. This characteristic likewise affords the wide diversity of interests and talents which so enlivens city life.

The sparseness of population beyond the metropolitan centers makes it impractical for every small hamlet to offer its own complete set of public services adequate to meet the needs of modern society.

Nor is it economic for the small or medium-sized city to attempt to achieve metropolitan standards of service, opportunities, and culture, in isolation from the neighboring rural communities.



The related interests of all the people who live within the limits of these cities, and in the open country and smaller towns that surround them, need to be taken into account together in coordinated planning for public services, local governmental functions, and economic development of the entire wider community.

Present-day communications and means of travel provide the technical means to extend to people in the outlying rural areas a variety and quality of public services and of economic and cultural opportunities equal to those that now exist in the larger urban centers. Commuting time by car sets the practical limits on choices among job opportunities, on day-to-day access to major health care facilities and advanced schooling, a wide variety of professional services, museums and art galleries, artistic performances, and a wide range of public events. Likewise, such commuting patterns describe the extent of the marketplace for buyers and sellers of consumer goods and services, and the farther range of community social life.

Thus, a functional community has evolved by a process of voluntary choices of both city and rural people, and it offers a new potential for solving some of their basic problems. By combining resources and efforts in larger and more functional geographic groupings, rural and smaller urban communities comprising a population base sufficient to support a full range of efficient and high-quality public services can achieve the conditions necessary for economic and social advance.

Well-coordinated and comprehensive planning for such a functional community can help increase the effectiveness and efficiency of the use

of public and private resources for economic growth and community development. This approach can stretch limited resources so as to attain both material living standards and a quality of life that would be unattainable through fragmented, sporadic, and inconsistent efforts.

### The Dimensions of the Community

The guidelines for determining the dimensions of an area within which the local governments ought to carry out integrated urban-rural planning are likely to be already marked by the commuting patterns that have been drawn by rural and city residents together as they drive to work, to shop, to attend college or technical and vocational schools, to visit, and to participate in recreational and cultural facilities. The center is usually within one hour's driving time of most or all residents.

In most such functional communities, the total population will be large enough so that there are enough users of each essential service to justify employing competent full-time resident specialists in a wide variety of medical and educational services, local government services, economic activities, and the like. In some sections, where towns of even 10,000 people are scarce, it would be more practical and more economical to provide major services to people at the outer limits through mobile facilities rather than for them to commute.

No two of these functional communities, of course, are identical. But a "typical" example can be thought of as having a small or medium-sized city at the center, together with a circle of primarily-rural counties within a reasonable commuting range around it. Some might

contain two or more urban centers. The rural counties will invariably contain several "county seat towns" and smaller settlements. The distinguishing feature is that residents of the district normally and spontaneously carry on most of their resident-type activities within its limits, and that there is a mutuality of interests among them.

#### Community Development Districts

Federal grants-in-aid are now available to small as well as large cities, to assist comprehensive planning and planning for a wide variety of specialized purposes. The various planning aids are administered by several distinct agencies. Each has special purposes, and some may be quite broad. The territories within which the various plans are to be applied often are not consistent with each other, and frequently fail to encompass all who have legitimate interests involved.

Planning aids available currently have not resulted in effective planning for rural areas, nor have they achieved an adequate regional approach to urban-rural planning. These deficiencies are accentuated by the particular problems of the characteristically small, poorly-staffed, and financially-weak rural local governments. And where regional planning activities do exist, rural people are frequently under-represented, and sometimes totally unrepresented.

A new pattern of planning organization is needed in order to enable rural citizens to participate with their city neighbors, within logically-interrelated functional communities, in planning for their mutual economic, social, and cultural development. It is needed, also, in order to help



provide better coordination among the various types of planning activities that are underway in the local communities, particularly those that are financed in whole or in part by Federal funds. This is the objective of the Community Development District Act proposed by President Johnson in his message to the Congress on January 25, 1966.

Financial Assistance for District Planning

Two kinds of grants to be jointly administered by the Secretary of Agriculture, and the Secretary of Housing and Urban Development would be provided under Section 5 of the bill, which would amend Section 701 of the Housing Act of 1954, as amended, by adding the following:

"(h) Notwithstanding any other provisions of this Section, grants may be made by the Secretary of Housing and Urban Development to the Planning Agency of any Community Development District designated by the Secretary of Agriculture under the Community Development District Act of 1966 for comprehensive planning as defined in this section and in accordance with purposes of that Act. Such grants shall be in the amounts certified by the Secretary of Agriculture, as follows:

"(1) not to exceed 75 percent of the costs of salaries and expenses of the professional staff required for Community Development District program development planning, and for other planning of public services and



other functions of the participating governments for which Federal planning grants are not otherwise available.

"(2) planning incentive grants in an amount not to exceed 10 percent of the amount of other Federal grants for planning purposes extended within the District.

"Grants provided under this subsection to the Planning Agency may be paid in whole or in part to participating governments for the use of the Planning Agency where this will facilitate the purposes of The Community Development District Act of 1966.

"For purposes of this subsection comprehensive planning may also include the undertaking of coordinated planning for public services and for all other governmental functions."

Since the purpose of District planning is to supplement present efforts of Federal, state, and local governments, before approval of any grant for payment under this program, a determination would be made that such grant would not duplicate nor tend to supplant grants or any other assistance available. It is generally intended to administer grants under this program in such a manner as to achieve a maximum degree of interdepartmental and interprogram coordination. We will strive to assure that program administration, including certifications for grants, be handled in a sufficiently flexible manner to accommodate the objectives, requirements and policies of other programs that may be affected.

Grants of "not to exceed 75 percentum of the costs of the salaries and expenses of the professional staff required for community development district program development planning, and for other planning of public services and other functions of the participating governments for which Federal planning grants are not otherwise available," would be authorized to assist in the planning activities of community development districts. Under the present authority of Section 701 of the Housing Act of 1954, counties and multi-county agencies, may receive grants for comprehensive planning. Assistance is also provided for state, regional, small town, and other planning activities. The proposed bill would make available specific authority to provide assistance also for the full range of planning activities of community development districts. Furthermore, the level of assistance would be up to 75 percent, rather than the standard two-thirds grant level under the Section 701 program.

The planning incentive grants, in an amount not to exceed 10 percent of the amount of other Federal grants for planning purposes extended within the district, would furnish an incentive to communities within a district to form a district planning agency, and would furnish the means to enable the district planning agency to help unify and coordinate the development plans and programs of the district as a whole. If each of the participating governments preferred to apply for individual comprehensive planning grants under Section 701, the district planning board would be entitled to an incentive grant of up to 10 percent to assist it to coordinate the plans of the governmental units within the district.

The provision that grants may be paid in whole or in part to participating governments for the use of the planning agency is intended to facilitate accommodation to some state laws which may make it impractical or inconvenient for county governments to associate formally for joint undertakings.

We anticipate that up to \$5,000,000 will be requested for planning grants under the proposed Act during the forthcoming fiscal year. This will be sufficient to establish several pilot community development districts during this first year, so as to provide operating experience during this first year in a range of varying situations and conditions of geography, economic attributes, population variation, interrelations with other Federal program operations, and other factors.

The balance of the expense of planning activities not covered by Federal grants will need to be supplied by the participating local governments. The local contributions for salary and expenses of the technical planning staff may be in cash or in kind, fairly evaluated, included but not limited to office space, equipment, and services.

#### Delineation and Approval of Districts

The proposed bill would give the prerogative to the respective states to delineate the boundaries of districts. The law would afford a wide latitude for variations between states and within states to conform to varying conditions, legal requirements, and preferences of the people concerned. Nevertheless, the specifications set forth in the bill, in Section 3, are completely objective. It is important to keep in mind that the problems of delineating the boundaries of districts is one of



determining something that already exists. That is, what are the actual predominant commuting patterns observed by the people themselves in their day-to-day activities?

In general, we interpret the term "convenient daily commuting distance" as meaning a radius of 30 to 50 miles from the commuting center. This is normally an hour's driving time or less, and is actually shorter in travel time from "home" to "down town" than the residences of many who live and work in large cities. The commuting area around a center includes that territory from which residents actually do commute to the center, for day-to-day commercial, vocational, public service, social, and cultural pursuits. This does not mean that all residents within the commuting area commute every day, but it does mean the territory within which most of those who do commute for jobs and other purposes, actually do prefer to commute to that center.

The bill recognizes that there is some rural territory that lies beyond convenient commuting range of any center of sufficient size to provide economical central services. Even in those circumstances, however, it is fairly simple to determine which center is most commonly used by the residents for the purposes that most people normally satisfy by daily commuting. Such territory will be included in the district that includes the most commonly used trade center, and mobile services that may be needed to provide adequate and convenient services in such territories would be based in the center in the district.

As strictly defined, a commuting area is likely to encompass several counties, and parts of counties. We expect under most conditions that



local people and state planning agencies will prefer to have districts comprised of whole counties, and district boundaries to conform to county lines. However, when substantial populations within a single county are associated with different commuting centers, it is likely to be desirable to have the district boundary divide the county. As I will point out in discussing the operations of a district planning activity, this will not create serious inconvenience or difficulty.

There are many cases throughout the country in which commuting centers furnish services to rural commuters residing in two or more states. In such circumstances, it obviously will be necessary to have the interest of people throughout the commuting area fully and equitably represented in planning activities and planning decisions affecting the district as a whole. We do not foresee insurmountable difficulties for such districts that include parts of two or more states in carrying out a normal community development district planning operation.

Specialists from this Department will be available to consult and advise the appropriate state planning agency designated by the Governor or Legislature as it sets out to delineate boundaries of community development districts. We anticipate that the Department of Housing and Urban Development will do so also. We will encourage full participation of specialists in the land grant universities, some of whom have extensive familiarity and research experience with this concept, in the delineation of districts. As I say, the concept is simple, and the problem is to determine a pattern that already exists. In any event, we will encourage the states to allow

maximum flexibility for revision of district boundaries in the light of operating experience, changing conditions, and the preferences expressed by local people.

In order to assure consistent understanding and interpretation of the intent of this Act, suggested guidelines for district delineation will be furnished to the appropriate state planning agency, and to the Land Grant University and other state specialists and local leaders assisting in this process.

If some states lack the facility or prefer not to delineate community development district boundaries, the Department of Agriculture may approve districts which meet the standards specified in the Act. However, the bill provides positive protection of the prerogative of the state to take the initiative in delineating district boundaries, in that it would prohibit approval of any district if the boundaries are in conflict with a state plan.

An application for approval by the Secretary of Agriculture of a community development district may be submitted by an authorized officer or agency of a government body eligible to receive and to disburse funds for purposes prescribed in the Act. As a general rule, this will be a county governing body which is participating in a district planning board and planning activity, or a board which itself conforms to the standards prescribed in the Act for a community development district board. After approval of the district, the board and planning agency will then be prepared to operate a recognized community development district planning

program. Specific procedures and regulations pertaining to the formation, organization, and operation of districts will be subject to appropriate state law and regulation.

During fiscal year 1967, a number of pilot community development districts will be selected from among those for which application for approval is received, for grants under the proposed Act. Pilot districts will be selected so as to furnish the needed experience under a wide range of geographic, economic, social, and population density conditions.

#### Operations of Community Development Districts

After approval by the Secretary of Agriculture of a community development district's boundaries, its District Board will be required to demonstrate that its structure satisfies the standards specified in the Act, before it will be eligible for certification by the Secretary for planning grants. The planning activity is to be performed under the direction of a planning board or commission whose members are appointed by and responsible to the participating local governments within the district. The District Board members, who would serve on the board or commission part-time, preferably should be elected by and from the members of the local governing bodies.

The actual planning work will generally be performed by the planning staff established and directed by the board. Under some circumstances, the CDD board may contract with private firms or with state, local or other regional agencies for some of the planning activities.



Representation on the board is to be related reasonably to the population for the participating governmental jurisdictions. Specific eligibility standards for participation by county or municipal governments will be subject to state rule or law, but as a general rule we anticipate that the participating governmental units will be county or city governing bodies and that they will elect an appropriate number of representatives from among their own membership to provide appropriate representation on the planning board. The regulations establishing the eligibility of county or municipal governments to participate must be established in such a way as to insure that all citizens residing within the district will have a chance to be represented if their elected government chooses to participate.

In some cases counties may be located partly in one district and partly in another. In such cases, we anticipate that the county board would elect an appropriate number of representatives to each of the two districts to give proper representation on each planning board to the portion of its population within the respective districts. Appropriations of funds to meet the participating governments' shares of county agency expenses would be allocated in the same manner.

The plans developed by district planning agencies and approved by district planning boards will not need to have mandatory or binding force upon the governmental units within the district. They may have the force only of recommendations or informal agreements. Therefore, there should not be insurmountable problems in the operation of districts which cross state lines.



In some cases, state legislation may be needed in order to facilitate fully effective participation by counties or other appropriate local governments in community development district planning activities, or in the projects and activities that are called for to carry out district plans.

#### Program Coordination

The legislation provides several safeguards against the duplication or supplanting of planning assistance available through other Federal programs.

Section 7 provides that the Secretary of Agriculture shall require that the board agree to give consideration to all other planning requirements under any other Federal program as a condition of extending planning assistance under the proposed Act. In accordance with this section, the Secretary will require that a full inventory and review of all planning activities and all plans developed with Federal assistance within the district be made as part of the district's program development activity each year. It is the purpose of the Act to make full and efficient use of existing planning resources and capabilities -- not to supplant nor duplicate them -- and to link them together and fill whatever gaps that might now exist so that a well-coordinated, comprehensive set of plans for the district will result. For example, Soil Conservation Districts have completed considerable soil and water and natural resource planning work, and have continuing capability for such work, in most areas of the country. Under this Act, district planning boards would utilize the Soil Conservation Districts' studies and look to the Soil Conservation Districts within the District for the further resource planning competence that would be needed.

In addition, appropriate certifications will be required of each district board or planning agency officials to accompany all applications for planning grants of the first type authorized in Section 5 (up to 75 percent of cost). If a district applies for planning aid for purposes for which aid is authorized under other programs, the Secretary will refer the application to such agency to ascertain whether the requested aid is available, and will not certify the aid requested unless he determines that it is not available from that source due to lack of authority or funds.

Section 6 of the proposed Act provides that the administrator of any Federal program having a requirement for planning as a condition of loan or grant assistance shall, before approval of such assistance, give consideration to the plans for the applicable district. This will help provide a means for coordination of federally-supported projects within the district. It will thus help to insure maximum effectiveness and efficiency in the use of federal aid, and in the expenditure and development of local resources.

Section 8 of the proposed Act provides that "Any agencies of the Federal Government authorized to make grants, loans or other assistance, shall accord due and appropriate consideration to request for assistance to carry out plans of Districts." In addition, this section authorizes the Secretary of Agriculture, upon request of the board, to "provide technical advice to applicants for such assistance in the development and implementation of plans provided for in the Act." This will help to focus

the overall development efforts of the Federal Government upon carrying out the local development plans that are advanced through the efforts of community development district planning activities.

The most important factor insuring efficient coordination of planning and development efforts is the fact that the establishment of community development districts will provide both a structure and a pattern that are logical and uniform for planning and carrying out most federally assisted development programs, and many local and state programs as well, which involve the mutual interests of rural and urban people within the functional communities that have evolved to bind rural areas and small and medium-sized cities together.

The pattern--the commuting district--logically fits the requirements of many programs which need, within the limits of convenient access by users, to capitalize upon the advantages of sufficient size in order to keep costs of facilities within bounds, and to assure services of the best attainable quality.

Some programs can be planned efficiently for units smaller than a whole community development district. The proposed program will not interfere in such cases. But the community development district may even in such cases provide advantages and economies of scale to its participating local units, by providing planning services to them on a contract basis.

The structure of the community development district planning organization likewise is suited for the participation of local people and local governments in the planning and administration of Federal programs



generally. Local elected governments are both the proper and the practical agencies to which to look for comprehensive planning that is responsible, realistic, and responsive to the capabilities and needs of the people.

The commuting district provided for in this Act is consistent with the specific provisions for districts provided for in the Public Works and Economic Development Act and the Appalachian Regional Development Act.

Insofar as possible, districts established for the administration of each of these three programs are intended to be identical in extent and boundaries. That is, district boundaries initiated under the Community Development District Act would be approved for the administration of PWEDA and ARDA as well, if the areas concerned become qualified. By the same token, district boundaries initiated under each of the other programs would be approved for community development districts if certified eligible for aid under this Act.

It is the intent that assistance under this Act be administered in such a way as not to conflict with or duplicate the planning requirements under other programs, but serve to provide an incentive and vehicle for coordinating these requirements on the basis of a district plan. The goal is to encourage local people to organize district-wide planning agencies that are directly responsible to and representative of the local elected governments involved, and for the administrators of federal programs to have available the guidance of such district plans.



Advisory committees comprised of volunteer citizens provide an indispensable element of local participation in planning and carrying out many development programs. This is true of the Rural Areas Development Committees which assist the Department of Agriculture in its rural development efforts, for example. Some programs require particular attention to the views of special groups whose interests are especially deeply involved. The approach provided for in this bill in no way diminishes either the need for or usefulness of such citizens' planning groups. On the contrary, it can greatly strengthen their effectiveness and support than in their goals, by providing systematic access both to a professional planning staff's capability and to local decision-makers. Advisory committees--either general, all-purpose citizens' groups or specialized groups centering interests on a single or limited program or problem, can become more effective than ever before, both in advancing their legitimate objectives and in furnishing relevant and useful guidance to program administrators.

#### Concerted Health and Educational Services in "Pilot" Districts

Within the pilot Community Development Districts to be established in Fiscal Year 1967, special concerted services in resource development, health care, and training and education will be carried out so as to afford operating experience in a representative variety of geographic, economic and social conditions. These special concerted programs can be carried out under existing authorities by existing agencies, thus using the resources and experts now available. In some cases, authorities administered by two or more agencies can be coordinated so as to achieve a well-balanced,

consistent, and comprehensive approach to specific problems. The Department of Agriculture will provide leadership through the Rural Community Development Service for promoting and coordinating concerted services projects in these Districts.

Specifically, these concerted services may, as authorized under existing law, include special action projects to:

1. Reinforce regular educational program curricula and teaching capabilities through use of the Teachers' Corps, pre-school and remedial courses, and television and other new educational techniques;
2. Assess the adequacy of health services according to such characteristics as family income levels, occupations, and distance from major population centers;
3. Make complete medical examination and other health tests of rural and urban school children;
4. Inventory the existing health care facilities, and determine the extent and form of new facilities that might be needed, particularly in rural areas, in order to provide adequate health care with maximum economy;
5. Initiate a pilot rural health services program to extend services to remote and rural areas and to experiment with new techniques, such as mobile diagnostic equipment, and grants to rural doctors to establish "medical circuits" in rural towns;

6. Carry out comprehensive manpower and employment surveys and testing to evaluate existing and potential labor resources;

7. Provide concerted Manpower Development and Training Program courses, and on-the-job and work experience training designed to reach all unemployed and underemployed persons within the earliest practicable time.

Three pilot concerted services projects are already underway in widely-dispersed areas of the country -- one in Sandoval County, New Mexico; another in St. Francis County, Arkansas; and a third in Todd County, Minnesota. These projects coordinate the full resources of the Departments of Labor, Health, Education, and Welfare, and Agriculture, on the solution of rural training and manpower development problems.

The experience gained in comprehensive community planning through operation of several pilot Community Development Districts, and through the concerted educational and health care projects that are to be carried out within them, will help to point the way to a new era of opportunity in rural life.





U. S. Department of Agriculture  
Office of the Secretary

This is the second time this month that I have had the good fortune to be cast in the role of advance man for the delightful film that we are about to see.

I am fortunate not only in being able to view this magnificent documentary once again, but in talking before the film is shown. Believe me, it is a hard act to follow.

I -- like all of you of the National Wildlife Federation -- am a devoted advocate of the principles of conservation. Your philosophy and mine -- your objective and mine ... is to conserve our renewable resources so that we may repeatedly use them wisely and frugally to create a better life for all of us -- today, tomorrow ... and forever.

Conservationists are a dedicated lot. Invariably we are carried away by our exalted mission. We seek to make soil and water, forests and fish, and wildlife and beauty serve the people in exciting new ways -- and at the same time to enhance the beauty and productiveness of those natural resources for the use and enjoyment of generations to come.

We try to follow the conservation lecturer who exhorted his audience: "You should practice conservation on every acre -- no matter how small."

The responsibility of my own Department of Agriculture for conservation programs affects three out of four acres of private land in the

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Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before the 30th Annual Meeting of the National Wildlife Federation at noon, Saturday, March 12, 1966, in the Hilton Hotel, Pittsburgh, Pennsylvania.

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United States -- 85 percent of our land area -- and all of the National Forest System, which comprises an additional 186 million acres, a big share of the Federally-owned lands.

One of USDA's multiple purpose management responsibilities is the fish and wildlife resource. The quality of big game and fish hunted and caught in the National Forests is known to all of us. The Department is continuing to work to make it even better through sustained wildlife research and improved habitat management.

Wildlife habitat on many thousands of acres of private land also is of critical importance ... now and as we look to the future. For every American who enjoys wild life on public lands, there are at least 100 who enjoy it on private property. In the future, the benefits from private land will grow in proportion and importance.

Private lands have been improved and thousands of farm ponds have been established through the traditional programs of USDA's Soil Conservation Service and Agricultural Stabilization and Conservation Service. I might add that many of the ponds are now being fished and the lands are being hunted for fees -- thus benefiting the landowner and the sportsman ... the city and the country.

Those two agencies in the Department of Agriculture -- ASCS, which is the farmers' commodity program arm, and SCS, acting through its local soil and water conservation districts, supplemented by credit available from the Farmers Home Administration -- are working with State game and fish agencies to help private landowners produce wildlife along with farm crops. Incentive payments and credit help this work along.

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These activities reflect historic policies, but they are also marked by a quickened pace ... a new spirit of cooperation among groups and agencies, private and public alike, that are concerned with renewal of resources and the growing numbers of Americans who want and need to use them.

There is a great awakening in conservation today.

Conservation has moved from the province of the few to the embrace of millions. This is as it should be. Conservation -- the wise use of our environment in city and countryside -- is everybody's business. It is your problem and mine when greedy or heedless people waste our fish and wildlife ... dump raw sewage into our streams ... pollute the very air we breathe.

It is true that eight-tenths of our nation's supply of natural beauty is to be found in the rural areas. But let there be no mistake about it, natural beauty is present in the cities and the suburbs as well ... in the flower boxes in tenements ... in the carefully tended landscapes of city parks.

All Americans are eligible for the title of "Conservationist" if for no other reason than that the President has invited us all to conserve, improve, and beautify our cities and our countryside. Mrs. Johnson has stimulated a great wave of new interest through her support of a national beautification program. This is truly conservation of our environment -- making all of America ... everywhere ... a better and more beautiful place in which to live.

Thus is a dramatic new way ... and in a short time ... the scope of conservation of natural resources has been expanded to serve the broad interests of millions of recruits to the ranks of conservation, urban and rural.

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This is our opportunity to direct this new interest and these new talents toward a coordinated approach to conservation. The job ahead of us requires a composite team of bird watchers, multiple use adherents, preservationists, skilled land developers, sportsmen, city and country planners, lumbermen, farmers, water users, pollution fighters, garden clubbers, foresters, soil conservationists, biologists, ecologists, and many, many others.

You must have noticed countless manifestations of an awakening interest in conservation matters. Our Congress has established wilderness areas into which automobiles cannot travel or airplanes fly. States and municipalities have joined the Federal government in recognition of a need to preserve our natural heritage from consumption by freeway and billboard. Each year, this mighty nation follows the flight of Whooping Cranes and California Condors to see if their tiny population is up or down.

In today's film, "Patterns of the Wild," we shall see to what lengths the Forest Service goes to save from extinction a tiny songbird whose population does not exceed 1,000.

To me, this praiseworthy attitude of the American people toward their environment and the living things that populate it, big and little -- this changing pattern of conservation -- is answer enough to those who accuse us of being a materialistic nation. It dramatically demonstrates that as a Nation we possess a deep concern for the quality of life and environment today, and also for that of generations to follow.

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This concern ... this compassion ... also expresses itself in other ways. We sometimes are accused of worrying more about other people in other lands than we are about people in our own land. This concern flows from a common source, however ... a concern for humanity, a concern that people may live as free men in their environment.

There is no doubt in my mind that what we do for the starving masses in India, the hungry school children in Latin America and Africa, the war-weary Vietnamese is related to the changing patterns of conservation in this country. The will and desire to act comes from the same source -- it wells up from a spirit of service deep within us.

Recently I visited Vietnam with a team of private agricultural experts whose assignment it was to see what could be done to improve the production of food and fiber in that beleaguered land. I cannot yet announce the complete results of that trip, but I can assure you that it was important.

Agriculture, indeed, is the key to victory in South Vietnam. We stand ready to supply good seeds, fertilizer, agricultural chemicals, and know-how. These weapons of peace and plenty speak louder than guns.

Thus, in Vietnam, as in other parts of this world where the people live with hopes and expectations that differ materially from ours, the needs and the response to those needs will be different than in our own land. But the goal is the same ... to live as free men in peace within their environment.

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In this country we are taking many steps ... many new directions ... to help achieve this goal. I would like today to describe two of them which I consider most essential to the wise use of our countryside.

One is the Cropland Adjustment Program which was included as part of the Food and Agriculture Act of 1965. This program introduces new tools for the benefit of fish and wildlife ... and for those who are concerned with the place of wild creatures in our environment.

Not long ago I named a Wildlife Advisory Board which is to assist the Department as CAP is put into operation.

Under the CAP, farmers who agree to open their land to the public for hunting, trapping, fishing, and hiking may be offered additional incentive payment. At its first meeting, the Wildlife Advisory Board suggested that the program be made flexible so that State and County Agricultural Stabilization and Conservation Committees and State Game and Fish Commissions may apply the provisions in such a way as to increase access to available resources and encourage more farmers to improve wildlife resources.

Liability problems for farmers who allow public access to their lands also received attention of the Board. The group recommended that USDA and State governments consider ways to provide this liability protection.

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The Advisory Board also is interested in methods of coordinating the work of State and County ASC Committees with the services of State Game and Fish Commissions. I believe the 11-man National Wildlife Advisory Board, which has four State Fish and Game Commission representatives, has made an excellent beginning in advising the Department on the Cropland Adjustment Program. This program is aimed at removing from surplus production up to 40 million acres, primarily, instead of acreage diversions under annual commodity programs, for periods of 5 to 10 years. It will have major benefits for both farm and non-farm people.

Truly, the CAP may prove to be one of the most important conservation instruments the nation has ever known. You conservation-minded people assembled here today can help to make it so. We welcome your initiative ... your leadership ... your help in order to make CAP accomplish, in every rural community in America, the purposes for which it was enacted.

You can make a great contribution -- each of you -- by doing your best to insure that this program attains its potential. Under its provisions, land that we don't actually need for production of food and fiber can be used for purposes of beauty and recreation, and for wildlife.

The second program to which I wish to direct your attention is the newest tool, and one of the most promising, in the rural development kit. It is now before the Congress as a legislative proposal called the Community Development District Act. Like CAP, it merits your aggressive attention and support in order to make it work to the full extent for which it is designed.

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Initially a modest number of pilot programs would be launched under the Act to aid in the formation of "functional communities" in order to bring the benefits of professional planning to small cities and rural surroundings which, individually, cannot afford to plan ahead for public services and facilities.

Such community development districts, typically, would include a small city and the surrounding villages and countryside, which the city would serve as a trade and culture center. The Federal government would contribute to the costs of planning for improved services. I am confident this program will bring some of the advantages of city living to the rural resident. Improved services will attract industry to the rural areas, too.

It promises to cement and strengthen the city-country relationships that happily are proliferating under the impetus of common aims of conservation.

Perhaps it is significant, in this regard, that the film you are about to see concentrates on the smaller creatures of the forest and field -- just as the Community Development District legislation seeks to bring the advantages of the city to the often-overlooked smaller places -- the villages and countryside -- in which Americans live and work.

Legislation like President Johnson's Community Development District Act promises to strengthen the foundations and viability of rural life in America. So does a changing conservation pattern place our wildlife resource in the "big" picture -- in terms of total environment and

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its relation to the total -- and thus helps to insure that each tiny creature continues to have its place on earth. So far as fish and wildlife are concerned, the changes in our dynamic national pattern of conservation will be for the better.

And now I invite your attention to "Patterns of the Wild."

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When I accepted the appointment as Secretary of Agriculture, one of the very first men to come forward with pledges of support and cooperation was Jim Patton.

I knew enough about Jim, even then, to know that this was not merely the usual polite gesture extended to new cabinet secretaries.

To have Jim's best wishes and the cooperation and counsel of the National Farmers Union was, for a new Secretary of Agriculture, most gratifying. I knew, at least, that I had one good friend in agriculture.

Now, five years later, I alone know how much that friendship and counsel have meant to me. On the great issues of major importance to the agricultural community -- on parity of income for farm families ... parity of opportunity for all rural people...continued abundance of food and fiber -- we have been in total agreement.

With the help of men like Jim Patton, Glenn Talbott, and the membership of the National Farmers Union, we have made important gains in all these areas since 1961.

I am vividly reminded of all this, as I come here tonight to pay tribute to these two great leaders.

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Address by Secretary of Agriculture Orville L. Freeman, Annual Convention of the National Farmers Union, Denver Hilton Hotel, Denver, Colorado, Wednesday, March 16, 1966, 8:00 p.m. (MST).

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It would be trite, and an overstatement, to say that the retirement of Jim Patton and Glenn Talbott marks the end of an era in American agriculture ... or in the Farmers Union. Eras do not end abruptly. Rather, there is progress and continuity between trends and changing times. It is this continuity that gives strength to our government and to organizations such as yours.

Nonetheless we shall continue to pay tribute to Jim and Glenn as architects of an eventful and notable era in American agriculture.

Your new leadership assumes office of this great farm organization at a time no less challenging. Today -- no less than in 1941 -- our No. 1 challenge and responsibility is world peace and freedom.

I should like to take a look tonight at some of the problems and opportunities that lie ahead of us. But, before doing so, I think it would be timely to reminisce a bit about the past -- a process that highlights the debt of gratitude we owe the team of Patton and Talbott.

When I became Secretary of Agriculture in January 1961, I could not help noting a striking similarity between the problems facing family farmers and rural America at the beginning of the '60s and the problems they had in the '30s. Oh, there were differences in severity and magnitude, but there were basic similarities.

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USDA 798-66

At both times, farm income was inadequate. The entire rural economy was depressed and deteriorating. We had a serious surplus problem.

Probably the most striking similarity was in the attitude of people -- both within agriculture and in the public sector.'

There was marked loss of confidence -- a pervasive feeling of hopelessness and rootlessness among farm families and rural people. They migrated by the hundreds of thousands from rural areas to the cities.

New capital investment for agriculture and for the rural economy was scarce or nonexistent in many areas. People saw no future in rural America.

Urban people and urban Congressmen refused to be concerned about -- or to identify themselves with -- rural problems. No one told them convincingly that inefficient agriculture and poverty-stricken farmers undercut prosperity in the cities.

But out of both periods came new concepts and new programs.

The '30s saw the first major attempt to cope with the problems of farmers on a national basis.

The recognition that the good health of our single biggest industry was essential to our economy and our national security ...

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that it was not something made up of six million isolated small farmers with six million isolated personal problems ... this was a major step in our national thinking and national policies.

The expression that "depressions are farm-fad and farm-led" originated at that time and it expressed the new national awareness of the importance of farm family agriculture in our economy.

Out of this new awareness and out of the minds of men like Henry Wallace, the Pattons, the Talbotts, the Ed O'Neals and many others, new farm programs took shape -- programs that were to survive to this day, programs that were to serve the farmers and the nation through two wars.

Out of this period came the concept of income parity that became the basis for our price support programs.

Out of this period came the concept of the ever-normal granary -- a bold and imaginative program that not only gave farmers their first chance at bargaining power in the marketplace but laid the basis for another new concept. This was the concept of abundance that was to be our greatest strength in war, and in securing the peace, and now for our war against world hunger.

Out of this period came rural electrification -- the first national attempt to revitalize rural America and provide parity of opportunity for rural people -- and credit and conservation programs.

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Out of these memorable programs, American farm family agriculture emerged as the most productive and most efficient in all the world. And our honored guests tonight earned a full measure of credit for that great performance.

But production of unexampled abundance -- so necessary and vital during wartime -- came back to haunt and to penalize farmers during the 1950's.

Instead of controlling and using it to our advantage, we let it control us. We let it depress prices and income. We let it pile up in unmanageable quantities at great cost to the taxpayers.

Many of those in high places pushed the panic button, applied band-aids and nostrums, recommended the elimination of two million farm families, and finally took refuge in blaming the whole thing on farmers themselves and on all farm programs.

As a result, agriculture became a many-splintered thing. Farmer was pitted against farmer ... commodity against commodity ... region against region. Farmers became the unloved people of this nation.

This was the situation when, five years ago, a new agricultural approach was introduced in Washington.

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USDA 798-66

The situation was, in some ways, more difficult than it had been three decades earlier.

For in the depression of the '30s, everyone -- the rural resident and the city resident -- the farmer and the businessman -- was in the same leaky boat. Broke and bankrupt. Misery had company.

By 1961, the affluent economy had long since bypassed farmers and rural America.

In addition, rural America had lost its political muscle. Not only had the population profile changed from rural to predominantly urban, but agriculture itself had become a divided house. This was a cleavage so stubborn that it still plagues us today.

Nevertheless, on January 21, 1961, we rolled up our sleeves and went to work.

Now, five years later, at the mid-point of the '60s, much has been done to rebuild a workable base -- economic, social, political -- for rural America.

Farm income is up. Net farm income reached \$14 billion in 1965 ... almost \$2 billion more than in 1960 ... a level exceeded only five times in this century. This year, I predict, it will be even better ... and for the next four years it will average nearly \$2 billion a year higher than during the latter half of the 1950's.

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This steady, solidly-based increase in farm income since 1960 has injected a new thrust and surge into the rural economy -- and a new confidence in its people. It has strengthened the place of the adequate family farm in our agriculture.

The real cost of food, in terms of family income spent to acquire it, is lower than ever before. Grain surpluses have been largely eliminated. The carryover stocks of all farm commodities are the lowest since 1957.

Farm exports will approach \$6.56 billion this year. This is a record that substantially exceeds what we looked ahead to in 1961. And it is a record, I am confident, that will tumble again.

In 1965, the Congress passed long-term farm legislation -- the Food and Agriculture Act of 1965 -- which for four years extended and improved the best features of the voluntary farm programs that we have developed by trial and error these past five years. Its basic features are designed to supply an abundance of food and fiber at a minimum cost to the taxpayer, at reasonable prices to the consumer, and at a stable, fair return to the producer. The 1965 Act makes it possible for us to mobilize agriculture to meet any emergency.

The foundation for many of the ideas on which this important program rests was laid when another great Farmers Union leader served as Secretary of Agriculture. I refer to my distinguished predecessor and your competent and dedicated General Counsel, Charlie Brannan.

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During the five years since 1961, the Department of Agriculture has moved from a traditional position that was almost solely concerned with the problems of farming as such to a concern that now includes the entire rural community and all its people.

-- We have more than tripled the size of the rural housing program.

-- We are assisting, with loans and grants, a thousand rural communities a year to construct community water and waste disposal systems.

-- We are helping rural communities, with loans, to develop needed recreational areas.

-- We have launched a massive program to eliminate rural poverty.

-- We have re-structured the Department's local county offices and established a new agency -- the Rural Community Development Service -- in an all-out effort to bring to rural people all the available government services of health, education, community development, and renewal that all too often in the past have not gotten beyond the boundary lines of our large cities.

I think we can say honestly that we have made more solid progress in the last five years than in any comparable period in the history of American agriculture. And the future gives promises of more advances if we continue to work hard to serve the American people and hungry people everywhere.

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Recently President Johnson launched a new program which is a fulfillment of a dream for Jim Patton and the Farmers Union.

It is the Food for Freedom program.

On February 10th, the President, in a history-making message to Congress, challenged this nation to lead the world in a war against hunger.

This program gives us an opportunity to prove to friend and foe alike our intense desire for peace -- our abiding desire to help mankind. It is an opportunity to employ our magnificent agricultural capacity. It is an opportunity to share our vast technical knowledge, our research, our trained men, so that famine-threatened countries soon may learn -- with our help -- to sustain their people and eliminate forever the threat of hunger and famine.

Only when this is accomplished can we realize world peace. For as President Johnson has said:

"Hunger poisons the mind. It saps the body. It destroys hope ... and when men and their families are hungry -- the world is restless and civilization exists, at best, in troubled peace.

Food and agriculture are the most persuasive of all arguments for convincing the uncommitted two-thirds of the world's people that the path to a better future for themselves and their children is to be found in choosing freedom over communism.

Nowhere is this fact more evident than in Vietnam, which I visited recently.

There the forces combined against totalitarianism will, I am confident, win a military victory. But the victory won't last unless agriculture advances with the troops.

This is truly a two-front war.

The Declaration of Honolulu means what it says: Military victory and social revolution must move forward together.

Agriculture is the key to lasting victory in Vietnam, because agriculture is the key element in securing villages and hamlets won in the shooting war. Agriculture based on modern technology and on private ownership of land offers the people the real hope they must have.

In Vietnam, I talked at length with the Prime Minister and other national officials. Traveling from one end of Vietnam to the other, I visited with village and province chiefs and with peasant farmers.

The ten distinguished agricultural specialists who went with me, at the direction of the President, fanned out across the Vietnamese countryside, for an intensive look at every phase of agriculture, including land reform.

When we put together the facts that we had gathered, we were encouraged by what we learned and what already is being accomplished. Even so, there was no denying the grim, hard problems that exist.

But it seemed to us that the Vietnamese may have found the right formula for real victory within the foreseeable future.

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A key ingredient of this promising formula is the "rural construction cadre.

Members of these cadres are for the most part, youthful peasants who volunteer for the second front.

Their training is good. They are indoctrinated with the history and legends of their people, and with the meanings of democracy and freedom. They are taught self-discipline, service, honesty, mercy to the young and the old, the sick and the needy. They are instructed in agriculture and in health and sanitation services. And they are taught to fight. During their training, they actually fire more ammunition than the regular troops in their combat training.

When training is completed, they go in teams of 50 or 60 men to hold and help to reconstitute the communities which have been taken from the Viet Cong by the military forces. While they help the people rebuild and develop their agriculture and win the social revolution, they also are armed and prepared to protect the people from the terrorism which has resulted in the past year in the brutal murder of 1,500 local government officials. A comparable loss in this country would be the capture, torture, and murder of some 50,000 city and county officials, school teachers, public health officers, and county agricultural agents.

This is a hard-headed, hard-hitting, systematic way of regaining and reconstructing key areas. It contains, I think, the formula for

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victory on the second front. And it is evidence that the South Vietnamese leadership recognizes clearly that the nation must have a successful social revolution in order to hold the countryside and win the fight for freedom.

Wherever we went in the countryside, we also saw evidence that Vietnam is ready for a "yield take-off" -- ready to grow two or even four or five heads of wheat or rice where only one grew before. If you ever want to see a justification for using some of our resources to help other people, go look at agriculture in Vietnam. Many Vietnamese farmers, most of them landowners with very small holdings or tenants, today are using improved seed, fertilizer, and pest control chemicals. They use them because they know they get larger yields of better quality crops -- in the case of rice, for example, 50 percent more per hectare. And They're not asking that these things be given to them. They want to buy them, and they do buy them when available. The ammunition and weapons of agriculture -- seed, fertilizer, chemicals, animals, and small tools -- are as important to this second front war as bullets and grenades and material are to the military war.

Personally, I have great hopes for this system of "pacifying key areas in Vietnam. It can give the people of Southeast Asia the hope and inspiration and muscle they need to rebuild their shattered land.

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Food for Freedom will equip us with required humanitarian and technological tools for use not only in Vietnam but elsewhere in the less-developed world. With it, I am sure, we shall be able to triumph over the twin threats of famine and totalitarianism.

Fortunately, the Food for Freedom program and our domestic farm commodity programs complement one another. We have the capacity to produce what we need for aid, and at the same time to meet all domestic requirements and commercial exports, and still to maintain needed reserves. Our new programs are sufficiently adjustable to meet changing demands.

But in meeting needs, we must be alert to the danger that food-deficit nations may short-change their own agricultural development if we permit them to use U. S. food as a crutch rather than as a tool for transition. If we permit that, we invite eventual world famine because -- great as our productive capabilities are -- we cannot meet the food requirements of an exploding world population indefinitely.

Careful USDA projections make it clear that by the early 1980's the fertility of the world's people will have eclipsed the ability of the United States -- even with full production on the 60 million acres that we now have in reserve -- to provide enough food for the hungry nations. The world's needs by then will exceed our productive potential by an estimated 250 million tons.

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President Johnson has said that self-help is the key to victory in the war against hunger. Food-deficit countries must do their best to strengthen their agriculture ... with our help and advice ... or they will not qualify for food aid under the Food for Freedom program.

The demand for American food will increase substantially in the years ahead. However, a word of caution is in order.

It is imperative that we maintain a sense of perspective and use good judgment as we launch the Food for Freedom program.

Right now, the hungry nations of the world would find it impossible to transport, store, or distribute all we have the ability to produce. If the United States moved to all-out production, the result -- for the time-being at least -- would be top-heavy surpluses and falling farm income.

Recognizing this to be the case, the Farmers Union, the Grange, the Midcontinent Farmers Association, and the N.F.O. acted with wisdom and statesmanship last week.

I refer to your statement urging feed grain growers to sign up in the 1966 program. It pointed out that feed grains are not in demand for a world feeding program. Feed grains must first be fed to animals and converted to meat in order to feed people ... and under-developed, hungry nations cannot afford meat. They must have food grains now. Current efforts to combat hunger and starvation will call for only modest quantities of feed grains.

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The statement concluded by urging feed grain farmers to sign up in the program so it would continue to work to balance supply and demand and make fair prices possible.

It is important that you carry this message back home with you. There are those who suggest that we forsake our hard-won commodity programs and launch into all-out production. These voices appear to have confused some producers. The 1966 feed grain signup seems to be lagging. Your support is needed today as much as it has been since 1961.

I think it is timely, too, to say a friendly word to those who complain every time the government sells a bushel of grain, a bale of cotton, or a pound of tobacco.

The USDA has a responsibility to try to maintain a reasonably stable wheat, feed grain, and livestock sector. Recent sales of Commodity Credit Corporation grain stocks are consistent with the ever-normal granary principle.

The Congress, in successive acts from 1933 to 1965, has reaffirmed the dual purposes of maintaining farm income and safeguarding consumers' needs. These objectives can be accomplished only by adding to stocks when production exceeds needs -- and using reserve supplies when demand is strong. My friends, we can't have it both ways. The CCC must sell on occasion if it is to buy when necessary to protect prices.

During the last five years, while our wheat surplus was being substantially reduced through government dispositions, the season average price received by farmers has averaged from 3 to 8 cents per



bushel above support prices. During the preceding five years -- by way of contrast -- these average prices ranged from 3 to 10 cents below support prices.

Recently, as a need became apparent for more wheat -- but not feed grains -- to help famine-stricken India, I took steps to increase acreage by withdrawing the additional diversion for payment feature of this year's program in the spring wheat region. Nothing could be done about the winter wheat crop because it was already in the ground.

I believe that the record of grain marketing has been a careful and responsible one. I pledge you that we will keep it so.

It is also well to keep in mind that the gap between the numbers of farmers and consumers has widened hugely in recent years. Farmers want to be responsible. We must be sure the consumers recognize this.

May I conclude these remarks by saying that this is an exciting and promising time for American agriculture.

The future depends upon us. There can be no peace or stability in a hungry world. The world need not be hungry. I am confident that we will meet the challenge ahead. And as we do, the National Farmers Union will continue to provide inspired leadership ... only from now on, it will be senior Statesmen Patton and Talbott and your new president.

U. S. DEPT. OF AGRICULTURE  
NATIONAL FARMERS UNION  
APR 12 1966  
C. L. R. A. S. F.

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7 U S Department of Agriculture  
Office of the Secretary

Only a few weeks less than a year ago I joined you who are in this room today -- you who represent many thousands of our nation's farm families -- and made a plea for unity.

I said then that unless Agriculture's voice became a single and sensible voice, the Congress would not pass the then-pending Food and Agriculture Act of 1965, and the commodity programs of the 60's which were steadily increasing farm income and cutting down on surpluses would thus be sacrificed on the altar of confusion.

Action taken in response to the facts underlined in that April 13, 1965, Conference of Farm Leaders in Kansas City helped clear the legislative air, and made a significant contribution to adoption of the Act -- now recognized as the most comprehensive and constructive in all the history of food and farm legislation.

Again, I am in Missouri at your invitation.

I am here because I share your conviction that the President's Food for Freedom legislation is the most effective way of putting power into American leadership in the worldwide war on hunger.....

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Address by Secretary of Agriculture Orville L. Freeman at a National Farm Conference Sponsored by the Midcontinent Farmers Association at 11:00 a.m. (CST) Monday, March 21, 1966, at the Sheraton Jefferson Hotel, St. Louis, Missouri.

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Because I share your conviction that only by using its commodity programs to maintain economic strength and productive flexibility, will American Agriculture be adequately equipped to carry out its critically important role in making the dream of a free and peaceful world a reality.

And I am here because I want to be associated with the statement issued earlier this month by leaders of the four major farm organizations in which they urged a maximum signup in the 1966 Feed Grains Program. I concur in the judgment of these great Americans. I share their deep concern at what seems to be lagging support for the Feed Grains Program, as indicated in the slow sign-up.

Feed grains constitute a dominant--although indirect--part of American diets. They are processed through livestock and poultry into the meats, milk and eggs our families like and can afford. If feed grains get out of balance, most of the rest of American agriculture suffers at the same time.

But it is the food grains--primarily wheat and rice--that dominate the diets of those we seek to help through the war on hunger. Tradition, and necessity, make them cereal eaters. Very little corn moves into the less-developed countries. They find the conversion of grain into meat too expensive for both farmers and consumers. This means that even if our shipments of food grains increase rapidly as a part of the war on hunger, the over-supply of feed grains will not be much relieved.

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Therefore, I want particularly to discuss with you -- and through you with the farm families of the nation -- the importance of balanced production at home to a successful projection of our food, and our production and marketing technology, into the self-help programs of developing nations.

And, while we're together, I would also like to direct attention toward lifting the level of child nutrition here at home...

toward expansion of opportunities for more people to live rewarding lives in the towns and small cities of rural America...

and toward construction of a more stable credit base for the growth of our rural electric and telephone cooperatives.

Then I would like to respond to some questions that my mail indicates are bothering farmers today.

But first, let's look at the center of the stage. It is occupied by farmers, by food, and by foreign trade and aid.

Never before at the start of a new food and fiber production year have American farmers commanded the interest and attention now directed their way. During the winter which reached its official end only yesterday, our farm men and women have become acquainted with a new type of surplus -- a record-breaking volume of advice. Never have so many told so few what to do.

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I am sure much of this advice has been well-meant. Yet, our farmers have heard and read recommendations ranging from the immediate addition of 60 million acres to the crop production plant to abandonment of price support programs in favor of quick, big sales of every type of food to people who have no place to put it...no transportation systems to carry it...and no dollars to pay for it.

If I have learned anything from more than five years of experience as Secretary of Agriculture, I have for sure learned this:

The men and women who built the greatest free-enterprise-family-farm system of food production any nation has ever known didn't do it with pre-fabricated, hand-me-down decisions...or by pursuing pie-in-the-sky propositions.

They built it by taking hard, probing looks at supply and demand and price facts...by analyzing responses to those facts...and then making their own decisions in the light of past experience and new knowledge.

If, in the Spring of 1966, our farmers are equipped with factual information related to their responsibilities--and opportunities--here and abroad, I am confident the planting decisions will adequately respond to food and fiber needs while maintaining productive balance and economic strength in the family farm structure.

Let me then, briefly--and in the simplest and sharpest of terms--review basic facts of the current food and agriculture situation.

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1. There are no food shortages. There are no empty shelves, bins, or cases in our own retail food markets. The pipelines leading from farms to those markets are full. We have no export commitments, either for dollars or in implementation of food aid programs, that cannot be filled.

2. We are equipped to maintain food abundance, and we have acted accordingly. The continuance of abundance requires an increased 1966 production of wheat, rice, soybeans and milk. Action has been taken under the Food and Agriculture Act to encourage boosts in the outputs of wheat, rice and soybeans.

(a) A 10 percent increase has been made in the national 1966 rice acreage allotment.

(b) Wheat growers--particularly Spring wheat growers--are being encouraged to plant their full allotments rather than taking some of that acreage out of production.

(c) Farmers cooperating in the Feed Grains Program may plant soybeans on feed grains acres and remain eligible for the feed grains price support payment.

3. There is no need for greater production of any of the livestock feeds other than soybeans this year.

4. Federal policies related to 1966 production and price support programs for wheat, rice, feed grains and cotton are firm as they stand right now. There will be no further changes in program provisions related to those commodities -- those now in effect have been carefully tailored to respond to food and fiber needs.

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I am hopeful those points are ticked off in the decision-making processes being completed on every farm in the nation this month.

It is not easy for any of us here....for any citizen of the United States....to take a down-to-earth, practical approach to the war on hunger. Like you and most of our fellow Americans, I contribute to the wave of compassion flowing across the oceans toward those billion men and women and children who began this day as they did yesterday and the day before -- weak in body and in spirit because of hunger and malnutrition.

The majority of the hungry are children -- and that increases the tug on our heartstrings.

You and I are familiar with the lusty cries which come from American babies when it is time to eat....from babies who quickly acquire ability to show vocal and physical impatience when parental response to their hunger seems slow.

How horrible it must be for a parent to hear a child whimper rather than howl about hunger...or look into eyes that plead so eloquently for so very little...and have no food, or maybe just a few grains of it, to give.

We care for those who suffer. So there is among us a very natural impulse to immediately engage our total productive plant in the alleviation of hunger with a massive, uninhibited, world food distribution program.

Yet, unless our compassion is enriched with common sense, we could speed rather than prevent the day of famine reckoning.

We must guard against doing more harm than good, at home and away, with our great food production capacity.

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Let me spell out the results of a year of careful study and analysis of the world food and agriculture situation made by the United States Department of Agriculture. It shows:

1. The world food problem is not new. The size of it is. The fertility of people has out-raced the fertility of agricultural land. Unless this trend is reversed -- unless the rate of population growth is decreased while per capita food production is increased -- a situation that is now critical will become a catastrophe.

2. American food can help the now-hungry nations buy time -- time in which to raise the productivity and the economic and social levels of their agricultures....time in which to make family planning effective.

3. It will take more than American food to win the war on hunger.

4. If we had every acre of our farm lands in production right now, turning out maximum yields, the less-developed countries couldn't receive or distribute all we could give them -- they do not have the facilities to handle that volume of imports.

5. Even if we assume that the developing nations could distribute all the food we could produce and give to them, the day would soon come when -- if their present population and food production rates were maintained -- that all our food would fall short of meeting the need. Then there would be mass famine, and not enough food anywhere to combat it.

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6. The developing nations know what they have to do. The greatest contribution we can make comes from our experience in how to do it...how to effectively utilize agricultural inputs ranging from fertilizers and insect and weed control chemicals to credit.... how to store crops, and move them to markets in an orderly manner... how to conduct 4-H and FFA-like programs for rural youngsters and Extension Service-like programs of adult education.

7. Great as the task is, for us and those we seek to help, we know that the goals can be reached. Last November I reported to the Food and Agriculture Organization in Rome on a study made by the USDA of 26 newly-developed nations -- some tropical, some semi-tropical, some in temperate climatic regions -- differing in economic, cultural and educational levels. Twelve of these countries, between 1948 and 1963, had annually compounded rates of increase in crop output of more than 4 percent a year. The rates of increase ranged from 4.2 to 9.7 percent, and averaged 5.6 percent. This compares with an average of 3 percent in the United States, even during the war years in which we encouraged maximum production.

With our help and that of the rest of the more developed world, the less-developed countries can acquire the ability to feed themselves. And when this happens, they will provide cash markets for American farm products.

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These basic facts about the domestic and world food and agriculture situations lead us to conclude that:

1. Passage of Food for Freedom legislation will give us new, essential tools for the war on hunger. We must win that war if our world is to be free and peaceful in the years ahead.

2. This war is not a short, seasonal battle. It must be fought with steadily rising intensity over many years, with developed and developing nations working shoulder-to-shoulder. And the key to victory, as President Johnson emphasized in proposing Food for Freedom legislation to the Congress, is self-help.

3. Making Food for Freedom efforts succeed requires that we make our domestic farm programs work smoothly year after year--and right now an effective Feed Grains Program is of special importance.

The Food for Freedom Bill is not the only legislation before the Congress that is of interest, and value, to rural families.

Other pertinent proposals cover Child Nutrition and Rural Community Development, and soon to follow them to the Hill is a recommendation to accomplish adequate financing of rural electric and telephone systems.

While we seek to help developing nations shorten the distance between people and food, there is another gap--a nutrition gap which affects many children in our own country--which also must be closed.

There are today some 9 million children who do not have the benefit of school lunches because there are no food services in the schools they attend. Over a million of them are children of poverty.

That's one side of the nutritional gap. Another facet of this problem exists in the growing number of summer activity programs for youngsters, and in the day care programs for those of pre-school ages. All too often the children in these programs do not receive adequate daily diets.

The Child Nutrition Act proposes to change these conditions. It adds new dimensions to the National School Lunch Program which, in the past 20 years, has become the largest single feeding activity of its kind in the world.

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Under the Child Nutrition Act, the School Lunch Program will be available to more children in more schools -- and to more children in the expanding pre-school and summer training programs. While nearly 2 million school children are now receiving free or low-cost lunches, the Child Nutrition Act will insure that another 1.5 million will no longer go without adequate lunches because they cannot afford them. It is inexcusable and unnecessary that any American child be denied a health-building diet. This nutrition gap must be closed.

The proposed Community Development District legislation will, if adopted, give new life and greater scope to the planning of a rural environment that will create more job opportunities and help correct the growing hazards associated with piling up too many people in cities while the benefits of rural living remain untapped.

The proposed REA legislation will enlarge the borrowing resources essential in enabling our electric and telephone cooperatives to maintain quality services for more members, while continuing the constructive credit role of the Federal Government wherever and whenever it is needed.

All these legislative proposals reaffirm an old truth -- the fact there's no standing-still in a dynamic society like our own. New problems, new needs, new opportunities unfold every year. They require a reassessment of Government programs and their relationship to the general welfare. They also demand reallocations of resources.

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This places upon our President the heavy responsibility of recommending uses for the money our citizens invest in Government through taxes. These resources are not unlimited. Yet they must cover new domestic programs as well as the heavy demands of the conflict in Viet Nam. Too, in a rapidly-expanding economy that is moving toward the long-desired goal of full employment, the hazards of over-heating must be avoided so that inflation will not throw up its barriers to greater progress.

President Johnson, in his Budget Message, has asked for new money for new programs. He has also recommended priorities, and has recommended a shift of funds from programs which have substantially fulfilled their original purposes into those more responsive to new needs and new progress opportunities.

The Child Nutrition Act is a good example. When more than a million and a half of the children in an affluent society are known to be victims of a nutrition gap, it is imperative that action be taken to shift investments and emphasis toward closing that gap.

It is not asking too much when we ask those families who can afford it -- like yours and mine -- to spend a few cents more to buy that supplemental half-pint of milk...the milk in addition to that served at lunchtime...so that youngsters now denied school lunches can get them.

Let me make it crystal-clear that this new program to reach the most needy youngsters is an extension, not a retraction, of the School Lunch Program.

The budget recommendations of the President covering Child Nutrition and School Milk, rural electric and telephone cooperative credit, and Community Development Districts are proposals for expansions -- not retrenchments.

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They are not recommendations to "live with." They are well-developed mechanisms to "do with."

Finally, I would like to put into the record of this great forum of dedicated farm leaders the answers to questions my mail shows are being asked most often by farmers and some sections of the agri-business community.

These questions center largely upon the Government's sales of grains from the stocks it owns, and upon the limitation of payments to cooperators in programs provided by the Food and Agriculture Act of 1965.

Our Government, through the Department of Agriculture, has been acquiring farm commodities through the price-support programs -- and selling them -- for 30 years. That's what makes the Ever-Normal Granary work. It is every citizen's Ever-Normal Granary. The Congress has consistently reaffirmed the purpose of the Ever-Normal Granary -- to maintain farm income and protect farmers from the price hazards of surpluses, while maintaining adequate supplies and reasonable food costs for consumers.

Achievement of these objectives calls for adding to Government stocks when production exceeds needs, and selling them when demand and prices are strong. It is a two-way street. My friends, as the old saying goes, we can't have our cake and eat it, too. If the Commodity Credit Corporation is going to acquire, then some day it must sell.

Your USDA has not, over the past five years, sought to create artificial scarcity by hoarding CCC stocks -- nor has it put stocks on the markets needlessly.



Since the beginning of the current wheat marketing year, last July 1, we have sold 12 million bushels of wheat for domestic food use. They were sold to create needed balance in type and protein content for 1965 wheat moving to millers from farms. These sales represent less than one percent of the 1965 wheat crop. That's dumping?

Since the beginning of the current corn marketing year last October 1 we have been making sales from government stocks for three purposes:

For blending with the high-moisture corn resulting from an abnormally wet 1965 harvest season;

For a desirable speed-up in response to orders from dollar-paying buyers overseas;

And for the protection of livestock and poultry feeders, and for the consumers of those products, from unnecessary -- and inflationary -- price fluctuations. We have not been dumping corn. We have been using Government stocks in ways consistent with the objectives of the Ever-Normal Granary.

Like the swallows, the proposals to impose an arbitrary limit on Federal payments to farm program cooperators come back every Spring.

I am being asked for my opinion on this limitation recommendation. My opinion hasn't changed--I'm against it. And I think it is significant that the loudest voices raised in Congress in favor of payment-limitation haven't changed, either--they have a consistent record of violent opposition to commodity programs at any price.

Our farm commodity programs today are voluntary programs. They work because farmers cooperate in diverting acreages from surplus crop production into soil-conserving uses. Many of them do this at a financial sacrifice because they know balanced supplies are in the interests of all farmers.

All cooperators earn, and are entitled to, reasonable compensation for this acreage diversion.

The man who works 40 hours a week for \$3 an hour expects to be paid twice as much as one who works 20 hours a week for \$3 an hour.

The farmer who is asked to divert 100 acres from surplus production expects to be paid about twice as much as his next door neighbor, with comparable land, earns for 50 acres of diversion. And why not?

Commodity program payments are not welfare grants. To be effective in balancing production they must fit into the free-enterprise concept that a man is rewarded in terms of the value of his contributions.

All farmers, large and small, should fight vigorously against being lured into a trap that would quickly erode, then destroy, their commodity programs.

In closing may I repeat, in summary, what I have earlier emphasized:

1. Peace and freedom can only be realized when the world wins the war on hunger.
2. Passage of the Food for Freedom Bill is essential to the winning of that war.
3. American agriculture cannot put essential muscle into the fight over the long haul unless it retains economic strength at home.
4. Our farm families carry tremendous responsibility for national well-being, and for world progress in the war on hunger.

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5. We must make our Commodity Programs work. Doing it requires continued farmer cooperation, including support for the Feed Grains Program.

6. The Ever-Normal Granary must function effectively, which means CCC must sell on occasion as well as acquire.

7. The child nutrition gap can no longer be tolerated. Every American child should have a school lunch.

8. We must continue to work to accomplish parity of opportunity on the countryside. The Community Development Act and a new supplemental financing system for rural electric and telephone cooperatives will speed progress toward that objective.

All these goals I've outlined are easily stated. Realizing them takes dedication and leadership. Our President is giving us both.

Each of you is known as an effective farm leader. You are dedicated, or you wouldn't be here today.

I am confident that once again -- as in the years just past -- you will lead the way to a stronger, and more responsive and responsible Agriculture. And in the process our farmers will earn the recognition and the rewards which they justly deserve.

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U.S. Department of Agriculture  
Office of the Secretary

Secretary of Agriculture Orville L. Freeman said today that President Johnson needs the improved, high-caliber legislative weapons contained in the Food for Freedom Act of 1966 in order to wage aggressive war against hunger in the developing nations of the world.

The Secretary said new authorities in the Food for Freedom Act and a companion bill to establish agricultural commodities reserves "will give us a fresh approach to new problems while still allowing us to retain the best features of old programs."

The time-tested programs to which he referred were developed -- and are still in use in some 100 countries around the world -- in legislation conceived in 1954 and amended many times since under the popular titles of Public Law 480 and Food for Peace.

In the past dozen years, the United States has distributed 140 million tons of foodstuffs, at a cost of \$15 billion, to needy people and developing nations overseas.

Secretary Freeman said P. L. 480 "was one of the most important agricultural laws ever enacted by the Congress." He outlined achievements under it in an address which opened an International Development Conference this morning at the Shoreham Hotel, Washington, D. C.

But, he said, "we are up against many problems today that are unlike those that confronted us when Public Law 480 was enacted ...

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Address by Secretary of Agriculture Orville L. Freeman before the International Development Conference, Shoreham Hotel, Washington, D.C., March 22, 1966, 10:00 a.m. (EST).

we need to strike out in new directions, and we have a better chance of reaching our objectives if we have comparably new legislative authorities."

The Food for Freedom program, said the Secretary, "gives us an opportunity to prove to friend and foe alike our intense desire for peace -- and our abiding desire to help mankind." He continued:

"It is an opportunity to employ our magnificent agricultural capabilities. It is an opportunity to share our vast technical knowledge, our research, our trained men, so that famine-threatened countries soon may learn -- with our help -- to sustain their people and eliminate forever the threat of hunger and famine."

Mr. Freeman said that only when men and their families are no longer malnourished or hungry can world peace be realized. Food and agricultural production, he said, are the most persuasive of all arguments in convincing the uncommitted two-thirds of the world's people that the path to a better future for themselves and their children is to be found in choosing freedom over communism.

Nowhere is this more apparent, he said, than in Vietnam. The Secretary, who visited the warfront last month with ten distinguished American specialist in agriculture, said agriculture is the key to permanent peace in Vietnam because it is the "key element" in securing villages and hamlets won in the shooting war.

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Five top-level experts from the U.S. Department of Agriculture have just reached Vietnam to follow through on the more than 40 recommendations made by the civilian specialists. One of their missions is to recommend organizational changes in the Vietnamese Ministry of Agriculture and to review the coordination of the military, AID, and the Vietnamese where agriculture is concerned. To expedite land reform is another special assignment.

"Food for Freedom will equip us with the required humanitarian and technological tools for use not only in Vietnam but elsewhere in the less developed world," Mr. Freeman told the International Development Conference. "With it, I am confident, we shall be able to triumph over the twin threats of famine and totalitarianism."

He noted that two of the principal new features of the Food for Freedom Act are its emphasis upon self-help and upon elimination of the "surplus" requirement in Public Law 480.

President Johnson proposed in his Food for Freedom message to the Congress on February 10 that the United States "lead the world in a war against hunger," and he said that self-help was the key to victory in that war.

Secretary Freeman said today that self-help will restrain the temptation of some developing countries to use American food aid as a "crutch" -- diverting too much of their national resource to other more dramatic but less critical uses, and neglecting their own agricultural output. Receiving countries that do not make an effort to improve their own production will not qualify for U.S. aid.

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"In the absence of sound agricultural programs," he said, "these countries will grow in numbers of people until eventually even the huge agricultural capacity of the United States could not prevent famine. That would set the stage for misery such as the world has never seen."

He put this point of no return at less than two decades away -- unless the developing nations learn to feed more of their own exploding populations.

Current Food for Peace legislation (P.L. 480) provides that only foods determined by the Secretary of Agriculture to be in surplus supply may be used for aid purposes. The Food for Freedom Act alters this requirement so that commodities sent abroad under concessional programs will be the kind needed by recipients rather than the kinds held in stocks at home. The trend will be in the direction of commodities with special nutritional values.

Mr. Freeman noted that the word "surplus" appears 24 times in Public Law 480. In this way, he said, we have unintentionally down-graded the value of our aid, because some countries assume that since our food is called "surplus" it is of little value -- and they are doing us a favor by taking it off our hands. The new legislation abandons the "surplus" concept.

Under the companion bill recommended by the President, the Secretary would be authorized to establish and maintain food and fiber reserves. Reserves would be established primarily to assure a continuous, adequate, and stable supply to meet domestic requirements at fair and

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reasonable prices, and also to meet the requirements of commercial exports, domestic food programs, and the Food for Freedom program.

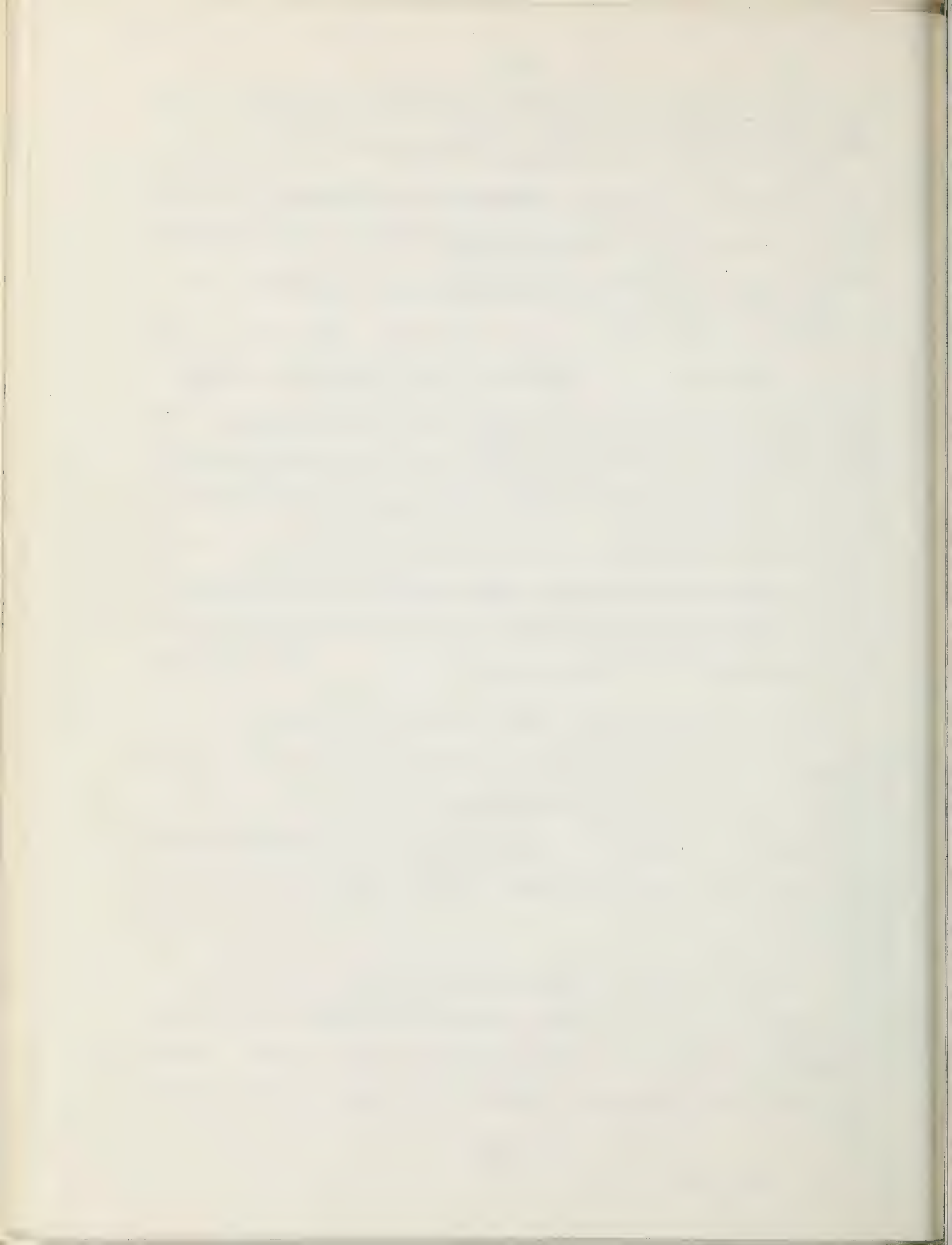
"Such a reserve is not a new idea," said the Secretary. "It is the basic principle of the ever-normal granary. In periods when supplies exceed expectations and needs, we set aside a reserve for periods of unusual demand or a short crop.

"Commodities in the reserve would not be stockpiled out of day-to-day reach, however. They would be available for disposal through sales, barter, donations, or redemption of payment-in-kind certificates. However, when stocks fall below a certain level, efforts to rebuild them to safe levels would be undertaken.

Secretary Freeman said the Food for Freedom Act and the reserve commodity bill provide the United States with an unparalleled opportunity to use its abundance to the benefit of all.

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87 U.S. Department of Agriculture  
Office of the Secretary

Washington, March 23, 1966

Secretary of Agriculture Orville L. Freeman said today that the nation's social and economic receiving set is picking up ever more urgent signals that the time has come to consider alternatives to ever-larger urban complexes.

Addressing a meeting of the officers of the National Association of Soil Conservation Districts at the Statler Hilton, Washington, D.C., Mr. Freeman said, "The maldistribution of family living space can be righted only by making more adequate public and private services . . . and more jobs . . . available in rural America."

By 1975, the country's population will have soared to 225 million, he said. "We can force these 225 million Americans to stack up in the cities . . . or we can help them to spread out and thus ease the fulminating pressures and frustrations which have exploded into violence on too frequent occasions in recent years."

He called attention to a Gallup Poll report published today which revealed that while only about a third of the people of this nation actually live in small towns or rural areas, nearly half (49 percent) of all persons surveyed in the poll said that if they had their choice of living places they would like to live in a small town or on a farm.

The Secretary said that proposed legislation now before the Congress, the Community Development District Act, could speed the process of enlarging opportunities "for more people to live where there is more space -- in rural America."

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Excerpts of remarks by Secretary of Agriculture Orville L. Freeman to officers of National Association of Soil Conservation Districts, Wednesday noon, March 23, Statler Hilton, Washington, D.C.

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He contended that the efforts now being made by major cities to clean up ghettos, clear up air and water pollution, ease traffic congestion, nurture respect for the law and human dignity, and improve educational and employment opportunities are minimized by constantly accelerating population pressures.

"Our big cities," he said, "are working full time at the task of restoring and maintaining a healthy social and economic environment for the people they already have.

"But," he asked, "if they must absorb more and more families, how can they keep pace?"

A logical alternative to the suffocating influx of more and more people into the big cities, Mr. Freeman said, "is the exploitation of the living.... and working...space available in rural America."

Community development districts, he said, would offer a way to explore and exploit this alternative by helping rural communities marshal sufficient resources to achieve a satisfactory level of social and economic development.

"These resources," the Secretary said, "can be marshaled through coordinated planning -- and a base now exists for such planning."

The base is the new rural community brought into existence by advancements in travel and communications, Mr. Freeman said. He described the new community as a functional entity, centering upon a small or medium-sized city, surrounded by rural counties within commuting range.

"The related interests of the small city dweller and his rural neighbors," he said, "must be considered in planning for public services and economic development of the broader community, for only in this way can the benefits of creative federalism be brought to the countryside.

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"When united for planning purposes," he continued, "the people and the governmental units of such a community are the best equipped to assess the area's needs and to determine the combinations of internal and outside resources essential to lifting the levels of opportunity "

The Secretary said such groups as the National Association of Soil Conservation Districts were particularly attuned to the needs of the rural community and could lend invaluable aid in speeding the process of rural economic and cultural development.

He commended the association for its record of nearly three decades of conservation, development, improvement, and management of land and water resources.

"Your organization," he said, "has made remarkable progress in achieving physical conservation objectives. And it has accomplished even more. It has increased participation of local citizens in the affairs of resource management, and now, in our efforts toward total rural community development, such groundwork in citizen mobilization is of vital value."

The Secretary also commended the association for its recently published report on District Outlook, and noted that this report reveals that in recent years Soil and Water Conservation Districts have assumed responsibilities in a number of programs emphasizing regional community and economic development. He cited the Districts' sponsorship of Resource Conservation and Development Projects, their participation in the Great Plains Conservation Program, their contribution to Rural Areas Development efforts, and their taking part in cropland conversion, rural renewal, and area redevelopment projects.

All of these projects, he said, contribute to the total rural community development effort, an effort which, he contended, would be even further strengthened by establishment of community development districts.

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"Federal assistance to the community development districts," he said, would help support coordinated and comprehensive planning for all public services, development programs and governmental functions, would continue the liaison with federal and state agencies, and would help support a comprehensive survey of a district's resources and needs, including labor skills, industrial sites, land and water resources, health care, education, cultural opportunities and public services.

"The best incentives for American industry and business to expand into rural areas," the Secretary said, "are self-interest, and the national welfare."

More and more major concerns, he said, are becoming aware of the healthy, energetic labor pool, the high level of worker and executive morale, the physical attractiveness and the home-to-work travel convenience offered by rural America.

Coupled with this newfound awareness, Mr. Freeman said, is the recognition by business and industry that they, too, have a stake in halting migration to the seriously-congested major cities.

"Along with these incentives," Mr. Freeman concluded, "business and industry must have encouragement to expand out of the megalopolis, and I'm confident they'll find that encouragement in rural areas where the people are effectively planning, programming and promoting improved quality in education, health and other public services, housing, and multiple-use of natural resources."

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U.S. Department of Agriculture  
Office of the Secretary

Mr. Chairman, Members of the Commission:

For 200 years, we have proved Malthus to be wrong. This was possible because, as population increased, the world's farm acreage was increased and machinery, chemicals, and new crops were added to step up yields per acre. Now, science has also given us the miracle of health and longer life and as we are assembled in this room, world population increases at the rate of almost a quarter of a million people a day.

But the Food for Freedom program can prove Malthus wrong for 2000 or more years to come.

When I came to Washington the principal problem to be solved, in the minds of most people, was farm surplus. Now, only five years later, our agricultural surplus has been largely eliminated and virtually every housewife in her kitchen and every Main Street merchant is aware of the world's food needs. We no longer need convince America that it has a responsibility to fill the food gap -- our job is to establish where and how we can best put our abundance and know-how to work.

This was made clear to me last month when -- at the President's direction -- I took a team of 10 U.S. agricultural experts to see the problems and progress of agriculture in Vietnam first hand. I think that Vietnam is a sharp example of world food needs -- and opportunities to meet them.

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Statement by Secretary of Agriculture Orville L. Freeman before the National Commission on Food and Fiber, Washington, D.C., 11:15 a.m., March 24, 1966.

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Three out of four Vietnamese are farm people -- about the same proportion as in many less developed countries in Africa, Asia or Latin America. Its major source of foreign exchange was agricultural exports -- mainly rice and rubber -- prior to Viet Cong terrorism, interference, and diversion.

South Vietnam, just a bit larger than the State of Florida, has a population of 15 million -- three times as many as Florida. Agriculture has been generating one-third of the gross domestic product. Three-fourths of cultivated land is in the Mekong Delta, in the south. Rice normally occupies four-fifths of the cultivated land. Rubber, occupying only five percent of the planted area, formerly brought in over one-half of South Vietnam's foreign exchange earnings. The country also produces small amounts of corn, cassava, sweet potatoes, sugar cane, peanuts, beans, fruit, coconuts, tea, and coffee. Livestock output -- mostly meat, eggs and duckfeathers -- has accounted for less than a fourth of total farm output.

Farm production has dropped since 1963 as a result of the war. Farm labor for rice and other crop production is being drained off by the recruiting of both the Viet Cong and government military forces. Both rice and rubber are being diverted by the Viet Cong. Viet Cong roadblocks, and taxation, have cut off normal marketing for much of the crop.

The immediate agricultural problem in Vietnam -- and we saw this with our own eyes last month -- is to make the land secure for the farmer to till, move ahead with land reform, and greatly improve the marketing and distribution from producing areas to the population centers.

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When these things have been accomplished -- and I am confident they can be accomplished -- the peasant farmer is ready to begin the "yield take-off" which we recognize as the sound basis for agricultural development and economic growth in the developing countries. The peasant farmer's progress before communist aggression, his eagerness to use improved crop varieties, pest control methods, fertilization, and better livestock management wherever his land and home are safe, clearly show that he is ready to take Vietnamese agriculture into a new age.

Until 1963, agricultural development was making good progress. Between 1954 and 1959, I was told, farm output in South Vietnam rose about 50 percent. In the next few years -- until about 1963 -- production again was increased -- this time by something like 25 percent.

There are other evidences of progress in the face of the most difficult conditions imaginable.

Since 1955 -- with U.S. help -- three vocational agricultural schools have been established, with 1500 students enrolled. An agricultural college was started in 1959. The first class of 46 students graduated in 1962 with the equivalent of a B.S. degree. In 1965, 55 students were graduated.

Since 1958, a network of eight agricultural experiment stations has been established, plus 14 regional or provincial stations. The stations have already provided several hundred million cuttings of improved sweet potatoes to thousands of farmers, enabling them to double and triple production. Improved corn seed has been tested, multiplied and distributed to farmers, resulting in an increase in corn production from 25,000 tons in 1962 to an anticipated 100,000 tons in 1966. Potatoes, onions and garlic -- formerly imported -- have been developed as commercial crops in relatively secure areas.

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Plant protection against insects, disease and rats has been stepped up. Before 1961, farmers lost an estimated third of their crop to plant pests. Then, largely at our instance, the Plant Protection Agency in the Vietnam Ministry of Rural Affairs was organized and by last year, losses were cut to 20 percent. Last year, for example, 360,000 farm families used 49,000 tons of rat poison to kill an estimated 38 million rats.

Where farmers have been able to use improved varieties of rice, to improve their land with fertilizer, and to protect the crop from pests, yields have risen as much as 50 percent.

Progress also had been made in farm machinery, credit, cooperatives, fisheries, and extension work -- but as the Viet Cong destroyed, bombed and killed government agricultural workers, progress has been difficult at best -- sometimes impossible.

Our Agricultural Mission went to Vietnam 1) to lend emphasis to the non-military activities in that country, especially the past accomplishments and potential for agriculture under peaceful conditions, 2) to evaluate the impact of on-going agricultural programs and determine how they can be improved under present conditions, and 3) to continue long-term improvement efforts.

We were encouraged by many things we found:

-- In Phan Rang I saw reclaimed land, distributed under the Vietnamese Government's agrarian reform, planted to a modified strain of Texas onions. The farmer was earning roughly \$800 per acre for this crop. This compared with previous earnings of about \$8 to \$12 per acre for rice in the same area.

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-- A Vietnamese hog at 8 months weighs about 110 pounds. In Can Tho, I saw hogs bred from American stock that weighed more than 200 pounds at 8 months.

-- Along the coast I was shown how many fishermen have increased their catches by as much as six-fold by motorizing their boats. Such improvements have raised total Vietnamese fish production from 165,000 tons in 1959 to more than 368,000 tons in 1965.

In spite of the war, death, oppression and the instability in Vietnam, I came away encouraged. All of us on that Mission saw that the country has tremendous potential for increased agricultural growth -- if farms and fields can be secured from aggression and terror.

When battles are fought on farmlands, when government service to farmers are cut back or stopped, when supplies of fertilizers, pesticides and tools cannot be moved to the hamlets and villages -- production must suffer.

And so, our admiration for what we saw and our encouragement by what is being done did not obscure our attention to present and future problems.

There is much to be done in tightening and restructuring the government machinery to meet the demands of the two-front war -- to carry forward the spirit and meaning of the Honolulu meeting. Many procedures and institutions must be adapted to the requirements of total mobilization. The difficult job of bringing inflation under control is receiving concentrated attention. We dealt with these and many other hard problems in our talks with officials at all levels. We felt that the Vietnamese were frank in these talks and receptive to suggestions. This, too, was encouraging.

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With enough fertilizer, with the opening of new farm lands, with increasing ownership of the land by the people who till it, with double cropping through irrigation, with better seed, pesticides, tools and education and credit, South Vietnam can again become a rice bowl of Asia -- perhaps even helping to feed a hungry nation like India.

Until recently, U.S. farm aid to Vietnam had emphasized institution building -- schools, extension services and other basic organizations. Now, we are getting involved in impact programs. The "second front" is urgent.

Under a Vietnamese Government program called "rural construction," technicians trained as rural development cadres are sent into newly secured villages to live and work with the people. The objective is to improve security by physically protecting the farmer and at the same time giving him a greater personal share in his own economic and political development. This gives the Vietnam farmer the incentive and the will to resist, because he will know he is fighting for the improvement of his own personal position.

I was impressed by the training given cadre members who are returning to their home areas as those areas are freed from the Viet Cong. They will help the peasants maintain security and improve their incomes, health, and education, and give them a real stake in their nation's future. At the National Training Center at Vung Tau, I was shown how the rural development cadres, who wear the traditional black pajamas of the peasants, are trained ideologically and technically and then heavily armed to repel Viet Cong raids. They are trained to respond to the needs of the peasants so they can improve their welfare: The use of fertilizers, pesticides, and high-yield seed, along with better livestock breeds and generally improved farming practices.

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None of this is either simply handed over to the villages or forced upon them. They must ask for it, earn it. The cadre members take an oath which reflects the ideological and practical aspects of their training:

"To mingle with the people; to unite our efforts with those of the people in the annihilation of underground communist cadres and of village bullies; to bring the people social facilities fitted to their sincere and legal aspirations so that they will trust the government policy, will carry out rural construction and village management by themselves, with a view to developing a new life in liberty, democracy and happiness."

This rural reconstruction program, with careful and comprehensive training of cadre members and their indoctrination into the old traditions and customs of their people, seems to be a workable formula for restoring peace and security to rural hamlets and their surrounding farmlands.

We are following up to make sure that the President's mission to Vietnam becomes an important first step toward lasting peace in that area. Already there is an increased flow of supplies and of technically and professionally skilled people moving from the United States to work with our Vietnamese agricultural colleagues.

Only last week, five top level USDA workers left for Vietnam to spend a month or longer if necessary as a part of this continuing follow-through of the Presidential Mission on agriculture.

Others will follow as needed.

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The task of liberating the countryside of Vietnam from communist aggression will take time. It will not be easy. Nevertheless, as I left that courageous little country, I was confident that with the help and support of the United States and other free world nations the leaders and people of Vietnam will successfully resist military aggression and concurrently push their program for rural development.

What we are learning in South Vietnam stands us in good stead as the U.S. responds to food production problems throughout the world.

In reshaping our response to world food needs, three facts stand out with particular clarity:

1. Our own supplies of food are approaching a balance with our own needs for domestic use and greatly increased commercial exports. Food aid based on surpluses has become meaningless. Generally, our food stocks are down to what the economists call a reasonable reserve.

2. The demand for food in the world will grow rapidly for some time to come. The population explosion, which began in earnest only a decade ago, will not be slowed down for 10 to 15 years. Public health programs and sanitation have cut the death rate sharply. In India for example, in the early fifties, there were 10 million cases of malaria a year, and a million deaths. Last year, because of an intensive campaign -- financed largely by U.S. funds accrued under Public Law 480 -- there were only 70,000 cases and no deaths. In Ceylon, the death rate was cut 40 percent in just one year, by one of DDT to kill mosquitoes and thereby cut the spread of malaria.



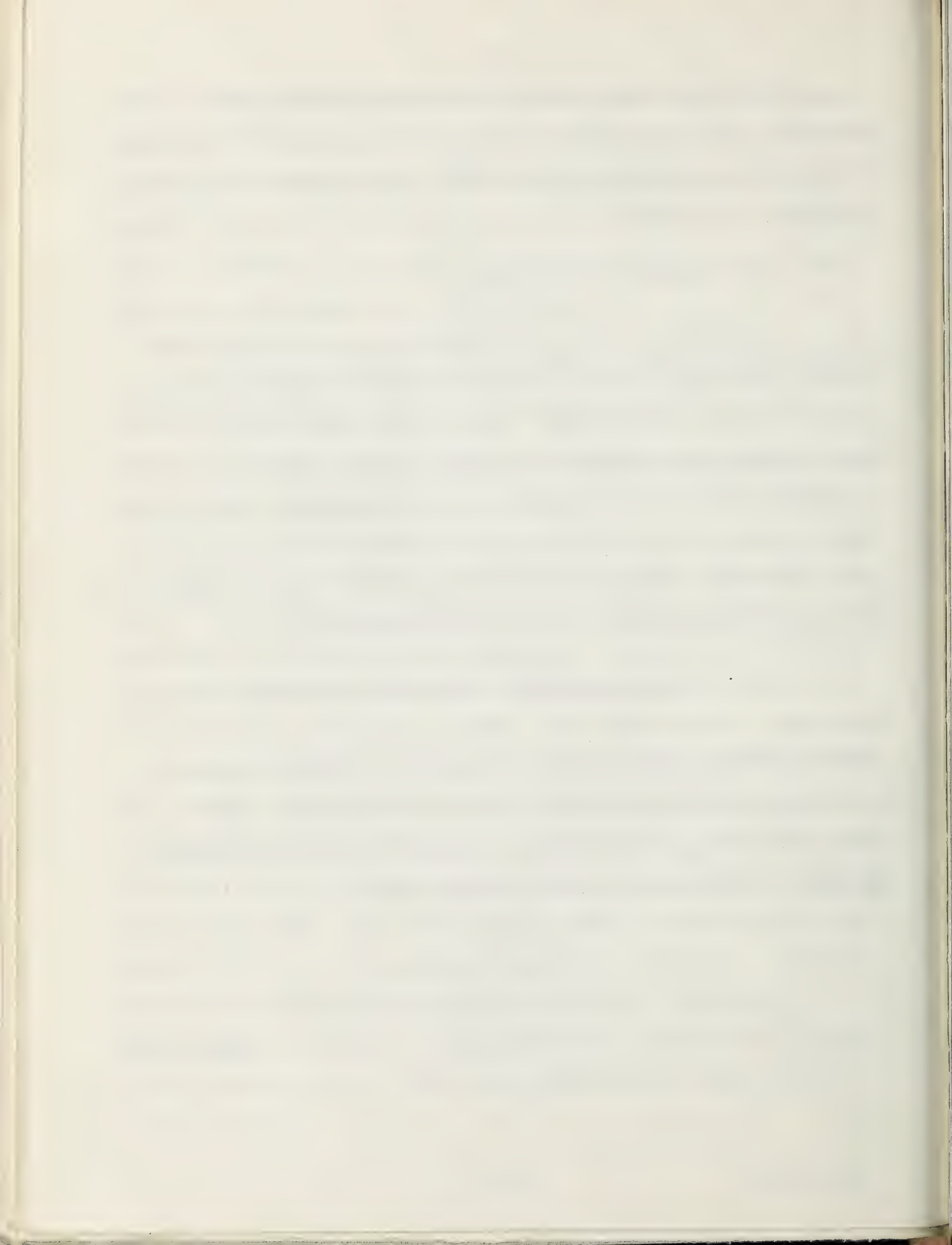
The less-developed countries must sharply increase their own farm production, or the world will soon run out of food. Toward this objective, the emphasis on self-help under the Food for Freedom program is not only desirable -- it is essential.

Let me assure you there is hope.

A recent study of 26 less developed nations, with which you are familiar, showed that there is a capacity to increase production, although the rate of increase varies widely. Twelve of the countries did far better than the others, even excelling the recent U.S. rate of increase. In spite of tremendous variations in available land and other factors, there was one common denominator in the countries with the greatest rates of agricultural growth: Each had a national determination to grow more from the land and had a direct national policy to back up that determination.

This, I think, is the heart of the solution in Vietnam and in every hungry, less-developed nation. This is the ultimate aim of the rural construction cadres now moving into the hamlets and villages in Vietnam -- to help the peasants find security, to help show them the way toward a better life, to help them find unity of purpose, and to help them achieve the pride of accomplishment and self determination.

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Office of the Secretary

Consumer confidence in the Nation's meat supply must continue undiminished if the meat industry is to prosper and grow, Secretary of Agriculture Orville L. Freeman said today.

He spoke at the annual spring Board Conference of the American Meat Institute in Washington, D. C.

"The Federal Meat Inspection Program has been the key instrument over the past 60 years which has insured adequate consumer protection of the meat supply. We are determined that this program will continue to serve both the consumer and the industry, and this will require that it remain responsive to consumer needs and to changes in the meat industry."

He said there are three major problem areas which could undermine consumer confidence in the meat industry, the largest single component today in the Nation's food industry. They are:

\* Attempts by unscrupulous individuals to pollute the meat supply with unwholesome or mislabeled meat for quick profit;

\* Rapid technological changes in the meat industry -- particularly the trend toward separate slaughtering and processing together with high speed meat processing equipment;

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Excerpts of remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman at the spring Board of Directors meeting of the American Meat Institute, Willard Hotel, Washington, D. C., Monday, March 28, 1966, 8:00 a.m., EST.

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\* The difficulty of operating under meat inspection laws hardly changed since they were enacted 60 years ago within an industry that is far different today from 1906.

"The American consumer, earning the highest levels of income in the world today, has expressed his and her confidence in the meat industry by making it nearly a \$20 billion industry. And this has made it increasingly inviting to those who would pollute the meat supply for quick profit," Secretary Freeman said.

He described an intensive reorganization and administrative improvement program carried out over the past two years in the meat inspection service, and outlined a legislative proposal the Administration has submitted to the Congress to modernize the meat inspection laws.

He said a reorganization of the Meat Inspection Division, which was transferred last year to the Consumer and Marketing Service, will go into effect April 1, and will:

- \* Transfer the investigation of meat inspection laws to the Office of Inspector General;

- \* Establish a special section to handle technical services -- labeling, testing meat samples, determining standards for meat products, and for slaughtering plants and foreign inspection systems -- for both meat and poultry;

- \* Establish a Livestock Slaughtering Inspection Division to supervise inspection of animals before and after slaughter;

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- \* Establish a Processed Meat Inspection Division to supervise the continuous inspection of meat processing operations, preparation of meat products, and import and export of meat products;

- \*Restructure the field office system to improve communications, and establish a special staff to review and analyze procedures.

While this work has been going on, Secretary Freeman said, additional steps have been taken to tighten inspection procedures -- particularly at meat processing plants and at points where unfit or mis-labeled meat could infiltrate the system. He listed a number of actions, including:

- \* Review of foreign inspection systems and plants producing meat for export to the U. S.

- \* Survey of over 6,000 non-Federally inspected processors or handlers of meat -- such as rendering plants, refrigerated warehouses, slaughterers, livestock markets, fur farms and animal food processors. In addition, more than 500 State and local meat inspection officials have been contacted. As a result, over 200 possible violations of the meat inspection laws were uncovered and are being investigated.

- \* Stepped up cooperation with States to facilitate seizure of unfit meat and to improve training of State and local meat inspectors.

- \* Doubled the number of chemical tests of meat -- from less than 6,000 in 1964 to over 12,000 in 1965. This is a 1,000 percent increase in three years.

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\* Brought a number of plants previously exempted into the inspection program.

The Secretary said the USDA also had taken steps to provide management and supervisory personnel with more time to work with inspectors, and has enlarged and expanded its inspector training program. Supervisory review meat inspections have been increased, and more spot checks of marking devices are being made.

"These examples describe only a few of the nearly 40 separate administrative and regulatory actions taken to improve consumer protection of the meat supply.

"Last year the number of plants supervised and the quantity of meat and meat products inspected climbed to new records. In fiscal 1965, for example, 49.1 billion pounds of meat was inspected -- a half billion pounds more than in 1964. And the number of Federally inspected plants rose by 6 percent to a record 1,775, the Secretary said.

"These are some of the reasons no Nation has a safer meat supply than the U. S. today, and we intend to do everything possible to keep it that way.

"This situation is as much to your interest as it is to the consumer, and I know you want to keep it that way. Your cooperation in the past has contributed greatly to the safety of the meat supply, and your support will be as vital in the future."

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Secretary Freeman emphasized the problem of adequate inspection has been intensified in recent years by a number of developments, including:

- \* The proliferation of plant locations and the separation of meat processing from meat slaughter;
- \* The development of high speed, automatic machinery which enables meat processors to use frozen boneless beef without defrosting;
- \* Creation of a new segment of the industry -- including brokers, wholesalers, warehousemen, importers and others who specialize as middlemen in providing boneless, frozen beef for processing. Many of these firms are not Federally inspected.

"Because of these developments, as well as the increase of those who would pollute the meat supply for a quick profit, we are seeking new legislation to modernize a law that is unchanged essentially from the day it was enacted 60 years ago."

The proposed legislation would:

- \* Broaden the Act to cover meat sold in the State where it is produced;
- \* Modernize and clarify the language of the Act. There is no definition of horsemeat, for example.

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\* Extend the Act to cover meat brokers, renderers, animal food manufacturers and warehousemen who store animal products -- all of whom are now excluded from compliance with the Act.

\* Regulate the distribution of dead, dying and otherwise unfit animals. The meat from these animals should be positively identified as unfit for human use;

\* Authorize meat that is not wholesome to be detained, and to obtain injunctions and seizure orders for this purpose from the courts;

\* Provide for cooperative agreements and joint financing of inspection programs of State governments to bring State inspection generally up to Federal standards;

\* Tighten authority to withhold or withdraw inspection service.

"These steps are essential if the consumer is to be adequately protected, and if the confidence of the public in the Nation's meat supply is to be kept undiminished.

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U.S. Department of Agriculture  
Office of the Secretary

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It is a pleasure to take part in your Spring Conference.

Spring is a good time of year to hold a meeting like this.

Spring is traditionally a cheerful season. As the Scriptures have it, "The winter is past. . .the flowers appear on the earth. . . and the voice of the turtle is heard in our land."

For American agriculture, looking forward to the productivity of summer, there is much to be cheerful about this year.

Let me count over a few of agriculture's blessings.

Average farm income last year rose 23 percent, breaking all records. Total net farm income in 1965 amounted to \$14 billion. That's a level that's been exceeded only five times in this century.

Farm income in 1966 will be even better than it was in 1965. We already have a few indications of this year's trend from our price records. Prices received by farmers thus far this year have been 6 to 8 points closer to parity than they were last year.

Surpluses are being eliminated. And that's one of the best things that has happened to U.S. agriculture since the end of the Korean War.

One measure of our success in reducing surpluses is the degree to which Commodity Credit Corporation stocks have declined. CCC's total inventory was cut from a value of \$6.4 billion at the end of 1959 to

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Address by Secretary of Agriculture Orville L. Freeman at the Spring Conference of the National Federation of Grain Cooperatives, Mayflower Hotel, Washington, D.C., March 30, 1966, 12:15 p.m. (EST).

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\$4.0 billion at the end of 1965. We still have too much cotton and tobacco. But we have done remarkably well on grain. Between 1959 and 1965, CCC's wheat stockpile dropped 520 million bushels -- and the corn inventory decreased 670 million bushels.

Part of the improvement in our agricultural economy stems from our almost startling national prosperity.

We have a fast-growing economy. Last year the Gross National Product increased more than 7 percent ... one of the highest rates of growth we have had. Some months back, our Gross National Product exceeded the \$700 billion level, and the growth rate continues very high.

In President Johnson's words, "The American people prosper today far beyond the dreams of any others anytime, anywhere."

Agriculture has contributed strongly to the improved Gross National Product -- and is benefiting from the generally increased tempo of business.

Government farm programs have played a key part in bringing our agricultural economy into better balance.

We struggled for five years to work out farm programs that would increase farm income, capture the opportunities of abundance, give us better balance between production and use, reduce surpluses and their cost to taxpayers, make foreign food and fiber markets more profitable and make food aid at home and abroad more purposeful.

We have come a long way.

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Now the Food and Agriculture Act of 1965 will carry us still further. This legislation extends and improves for the next four years all the best features of the various farm programs previously developed, plus many new, improved provisions.

Rapidly expanding agricultural exports also must be placed high on the list of factors that are giving U.S. agriculture a boost as we move on into 1966.

This afternoon I want to examine the export program in some detail, from an overall standpoint -- particularly as it relates to grains and oil-seeds.

Rapid growth is the outstanding feature of our export program.

In the five years between 1954 and 1958, our agricultural exports averaged only \$3.8 billion.

In 1964 and 1965 they exceeded \$6.0 billion.

In this current 1966 fiscal year, U.S. agricultural exports are expected to hit a record \$6.5 billion -- and they could go even higher than that.

Let's look at other broad features of our export situation.

\* The upward trend in farm product exports probably will continue.

I say that for two reasons:

-- World population is expanding. From 1960 to 1970 the world's people will grow from 3 billion to 3.6 billion -- a gain of 20 percent.

-- Incomes are rising everywhere. The increase in per capita income varies from 1.6 percent a year in North Africa to 3.2 percent in Northern Europe to 6.4 percent in Japan. Money talks, as the saying goes. People who have money generally manage to spend it. A good part of foreign consumers' improved purchasing power is going for better diets.

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What does this mean in terms of future U.S. agricultural exports?

It means that today's \$6.5 billion worth of annual exports of farm products could well grow to \$8.0 billion worth by 1970.

It means that agricultural shipments could rise to an annual total of \$9.8 billion by 1980.

\* Export sales for dollars are becoming a bigger part of the export total.

-- A few years ago, dollar exports accounted for a little less than 70 percent of total shipments.

-- In fiscal year 1965 dollar exports amounted to 73 percent of the total.

-- In this current 1966 fiscal year, we estimate that dollar sales will be about 75 percent of the total.

We hope that that trend can continue. We hope, as a matter of fact, that the day will come -- far-off though that day might be -- when all of our agricultural exports will be sold for dollars.

Dollar sales are expanding for two principal reasons:

As I mentioned before, foreign economic development is creating demand for our food and fiber. The upward trend of Gross National Product in the major industrial countries is paralleled by the upswing in our dollar exports.

Also playing a big role is our vigorous sales effort overseas. I refer to the market development work of trade groups cooperating with USDA, plus the fine "private" sales effort of cooperatives and other exporters of farm products.

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\* Our balance of payments position is benefiting from our agricultural exports.

Dollar exports make a direct contribution, which, since 1960 have amounted to \$23.6 billion.

But that's not quite all the story. Over the 1960-65 period we got \$1.4 billion in balance of payments help through features of the Public Law 480 program. Through this program the Government "avoided outlays" for such bills as embassy expenses, military obligations, and contributions to market development. We also made big gains on our barter program -- and got repayment of loans and interest under long-term credit programs.

Altogether, then, the contribution since 1960 consists of \$23.6 billion worth of dollar exports, plus \$1.4 billion of avoided outlays -- or a total of \$25.0 billion.

\* Economic protectionism, a cloud already bigger than a man's hand, is a negative factor tending to offset some of the favorable trends I have mentioned. It promises to become more troublesome before it gets better.

The European Economic Community's variable levies are worrying us.

But the EEC is not the only importer practicing protectionism. Let's cite a few other examples.

West Germany's sanitary code for meat imports -- the strictest in the world -- is giving us some trade problems.

The United Kingdom's protected agriculture is stepping up grain production -- and the U.K., as a result, is buying less than scheduled volumes of grain from us.

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Australia has increased its protection of tobacco, one of our big sales items there.

And so it goes.

Our answer has been and will continue to be pressure for trade liberalization.

The Kennedy Round is a big battle -- but only one battle -- in a continuing war against protectionism.

Beyond the Kennedy Round will be many other battles as we strive to keep trade channels open.

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Now let's relate some of these broad trends to grains and oilseeds.

Grains and oilseeds. These truly are the "glamour" commodities of this particular agricultural era. Foreign demand for them continues to rise. Exports of each commodity category will almost certainly break the billion-dollar barrier in this current fiscal year. And we foresee even bigger shipments in the years ahead.

I think we can judge the future to some extent by what has happened in the past.

Feed grain exports have increased from about 7 million metric tons a decade ago to an estimated 24.0 million tons this year, most of which will go to Western Europe, Japan, and Canada.

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Demand for feed grains is expected to continue strong for the foreseeable future. This isn't to say that the expansion every year will equal the big upsurge that marked exports this year. As a matter of fact, exports in the fiscal year 1967 are expected to level off a bit. For one thing, competitors will be in the picture more strongly. For another, we may not enjoy the same "extraordinary" calls for feed grains that we got this year. For example, this year we sold 1.0 million tons of feed grains to Eastern Europe. We'd like to think we could do that every year. And there is evidence that a permanent demand for our feed is building up in that area. But some of the demand this year was weather-induced, and we'll have to wait and see how the "permanent" East-West trade picture develops.

Elsewhere abroad, consumption of poultry meat, red meats, and other livestock products continues to rise as foreign buyers spend more money in upgrading their diets. Actually, the surface has hardly been scratched when it comes to consumption of animal proteins. This demand--from Western Europe, Canada, Japan, and elsewhere -- is bound to stimulate feed grain exports from the United States for a long time to come.

Ray Ioanes, just back from the Far East, has told me about the troubles the Japanese are having with their feed grain demand projections. A few years ago the University of Tokyo projected Japan's feed grain import demand in 1970 at 3.7 million tons. They missed it. Japanese feed grain imports this year will be about 5.4 million tons -- far more than was projected for 1970. The United States alone will supply Japan 3.9 million tons this year -- also more than the total projection for 1970.

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Exports of oilseeds and products in fiscal year 1966 will be about \$1.2 billion. That's a new record. At the moment, we are meeting increased price competition in Western Europe from Russian sunflower oil and African peanut oil. As a matter of fact, we are meeting increased competition from European soybean oil derived from U.S. soybeans. The price differential, of course, is cutting into our commercial sales of oil. But we see the foreign demand for oilseeds and products as a group moving up and up, supported by expanded needs for protein feeds.

I've talked a lot about demand, because it's important. But demand alone does not explain our big exports -- the records we are setting year after year. There is a lot of real sales effort behind those efforts.

The positive approach we are taking today toward agricultural exports marks a big shift in our thinking. We had the quaint idea some years ago that we didn't need to sell our farm products. We thought we could wait for foreign buyers to come to us. There was only one hitch; all too many of them didn't show up.

We think differently today. We know now that farm products are sold through positive sales effort the same as automobiles, refrigerators, television sets, and other goods. The 45 agricultural and trade organizations cooperating with the Department of Agriculture in export promotion are carrying this sales effort into some 70 countries. In the case of grain and oilseeds, the sales campaign -- as well as demand -- is helping to keep the export curve for these products headed upward.

We are developing new marketing tools. Frank LeRoux told you this morning about the new flexibility we are giving the CCC export credit sales program. This could well be one of the best marketing tools we have developed to date. I have every confidence that allowing foreign banks to guarantee credit will greatly expand our dollar sales abroad.

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I also want to pay particular tribute to the fine work of cooperatives in the export field. Grain cooperatives have moved boldly into areas long dominated by large commercial exporters. I am particularly gratified to see cooperatives emphasize quality control in their export business. Quality as well as price is one of the "musts" in the export area if we are to hold our own with zealous price-and-quality conscious foreign competitors.

The cloud in the sky, as I mentioned earlier, is economic protectionism.

The new tendencies toward protectionism flout all the solid preachments of economists from Adam Smith up to the present. It was Adam Smith, in his great "Wealth of Nations", who advanced the idea that an international division of labor -- through trade -- made as much sense as the division of labor in a factory.

Smith said, and this was back in 1776, mind you, "Trade which, without force or constraint, is naturally and regularly carried on between any two places, is always advantageous. . .to both."

The United States has subscribed to the principle of liberalized trade for many years.

The Kennedy Round is the key right now to whether we get liberalized trade in agricultural products.

The EEC is the key to the Kennedy Round.

The Kennedy Round has had, and continues to have, a strong trade liberalizing potential. For that reason we have been hoping that the numerous access problems that still remain could be settled satisfactorily

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at Geneva. However, internal problems of the EEC have delayed full-scale negotiations. Further progress in the Kennedy Round depends on the EEC's ability to move ahead in these trade talks.

A world grains arrangement would help to assure markets for efficient producers. At the very least, such an arrangement would provide cooperation -- and consultation -- among grain importing and exporting countries. That's desirable in itself.

Another reason for cooperation is the vital need to provide food aid to the developing countries. The United States has been carrying the heaviest part of the food aid burden in recent years. But the United States has no desire to monopolize that burden. The United States will willingly share it with other countries that can help with grain, ships, fertilizer, technicians, or just plain old money. In this connection, let me say that I am deeply gratified at Canada's action in sharply increasing the volume of its food aid to the developing countries.

All this brings me to the Food for Freedom program. In my opinion, the U.S. grain picture will be increasingly affected by what takes place in the developing countries of the Free World.

Dorothy Jacobson has covered the fundamentals of this program -- the world's population explosion; the need for increased economic and technical assistance, coupled with food aid; the new emphasis on self-help; abandonment of the "surplus" concept.

I want to emphasize one point that Mrs. Jacobson made. Wheat, rice, and soybeans will be key commodities in the war against hunger. President Johnson already has asked for more rice and soybeans, and for the purchase of limited quantities of dairy products. These requests supplement earlier decisions to step up 1966 wheat and barley crops.

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But very little feed grain will be needed for overseas food assistance. Stocks of feed grain still are large. It is important, therefore, that we continue our efforts to keep feed grain production "in line." It is gratifying, in this connection, to see a number of farm organizations appeal to their members to sign up in the 1966 Feed Grain Program. That's real agricultural statesmanship.

I want to turn now to Vietnam.

Vietnam is a little country -- but it is demonstrating some big principles. We must study these principles carefully -- not only in terms of their meaning in Vietnam, but also in terms of responsibilities of all rich countries of the Free World with respect to the needs of their less-fortunate neighbors.

Agriculture is the key to victory in Vietnam.

Agriculture is the key to world peace.

Those were the primary impressions I got out of my trip to Vietnam.

At a training camp called Vung Tau I heard an earnest Vietnamese elder say that his countrymen needed, above all, to have meaning in their lives -- to have something to work and live for. This is, I think, a universal wish. Perhaps our greatness as a nation traces to the fact that we have so much that is attainable -- even by those of the most humble birth.

All too often in Vietnam, the villages that are won by the military are infiltrated by the Viet Cong and taken back again. The Vietnamese want to change that. General Nguyen Duc Thang, Minister of Rural Construction, said to me, "We don't go to hit and run; we go to hit and stay."

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All too often in Vietnam the villages won by the military are infiltrated by the Viet Cong and taken back again. The Vietnamese are bending every effort to change that with a very promising system of training farm youths to serve in "rural construction cadres" which move into recaptured villages and hamlets, and live and work with the residents until they are militarily secure and until they are growing crops again with the help and advice of the cadres ... and with tools and fertilizer and improved seeds that we are pleased to furnish if the villagers ask for them. Cadre members do not distribute these things until they have won the confidence of the villagers and until they are asked for help.

Members of the cadres are for the most part young peasants who have volunteered for the "second front" -- the social and agricultural front.

Their training is good. They are indoctrinated with the history and legends of their people, and with the meanings of democracy and freedom. They are taught self-discipline, service, honesty, mercy to the young and old, the sick and needy. They are instructed in agriculture and in health and sanitation services. And they are taught to fight. During their training, they actually fire more ammunition than the regular troops in their combat training. They are equipped with BAR's, Tommy guns, hand grenades -- and they know how to use them.

When training is completed, they are sent out in teams of 50 or 60 to hold reoccupied communities and to win the confidence and cooperation of the villagers. While they help the people to rebuild and develop their agriculture and win the social revolution, they protect them as well from Vietcong terrorism which has resulted in the past year in the brutal murder of 1,500 local government officials. A comparable loss in our own country

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would be the capture, torture, and murder of some 50,000 city and county officials, school teachers, public health officers, and county agricultural agents.

The Viet Cong calls this a "revolution." What a misnomer! A real revolution comes about only when people decide in their hearts and minds that they want a change in government. I don't think that Viet Cong methods -- murder, torture, pillage -- are likely to win over many uncommitted Vietnamese.

There is evidence, on the other hand, that the South Vietnamese leadership recognizes clearly that the nation must have a successful social revolution in order to hold the countryside and win the fight for freedom.

The government ruling group of South Vietnam struck me as being sincere. General Ky, the Prime Minister, is only 35 years old. He is attractive, patriotic, and eager to serve his people. His background is military, but he sees that ballots, not bullets, have real importance in his beleaguered country. He said to me, "We must have a government which is freely elected by the people. Despite the many tasks we have on our hands today, I feel we can take on one more. This is one, which next to the war, is most important -- and that is building democracy in Vietnam."

The development of democracy, however, depends upon food. President Johnson noted, in his Food for Freedom message to the Congress, that "when men and their families are hungry, poorly clad and ill-housed, the world is restless -- and civilization exists at best in troubled peace."

A world that is ill-fed ... a world plagued and dogged by famine and desperation and malnutrition ... is never going to be a peaceful world. That's why I say agriculture is the key to peace and freedom -- in other

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developing countries as well as in Vietnam.

Agriculture and grain are virtually synonymous in many of the developing countries. Agriculture in this country is built on a strong foundation of efficient grain production. As we move into the years ahead, our grain will mean a good standard of living for us -- and for the people of other industrialized countries. Our grain will mean health and life itself to people in the food-short areas of the world.

The responsibilities of grain producers, grain cooperatives, and all others in the grain industry will be very large as we look off into the future. But I am sure that the grain industry will meet the challenge.

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U. S. Department of Agriculture  
Office of the Secretary

I have sort of a homecoming feeling. The atmosphere and activities of this conference bring back pleasant memories, for I was once a part of municipal government administration.

I worked under a Minneapolis Mayor I quickly decided must have grown up on a diet consisting entirely of the vitamin stocks of his dad's South Dakota drugstore, with missile fuel for a chaser.

His concept of public service consisted of doing a full day's work before noon, grabbing lunch on the run, and then settling down for some real effort through the remaining 12 hours on his daily schedule.

I've observed no change now that he's Vice President of the United States.

He still holds to the conviction you do not await a new day -- you meet it at least half-way.

And I can only conclude, after studying the agenda for this Conference of the National League of Cities, that municipal government still has its Hubert Humphreys.

The opening session Tuesday afternoon called for 16 committee meetings.

That must be a half-day record, even here in the geographical center of Committeeland...where meetings are held every day and night on saving everything from the country, and the world, to the first toot of Fulton's steam-powered whistle and technicolor trading stamps.

Address by Secretary of Agriculture Orville L. Freeman at Legislative Conference of the National League of Cities at the Washington-Hilton Hotel, Washington, D.C., March 31, 1966, at 11 a.m. (EST).

This is a great city for group action in changing--and keeping-- things.

Sometimes it seems that a building can be completed one day and the next morning it is surrounded by a committee carrying signs which demand:

"Save Our Landmarks!"

And Washington has some other extremes:

It produces more cherry blossoms--and less fruit--than any orchard section of the country.

It has more statues than ancient Athens--and they ride or drive more horses than there are on the blue grass pastures of Kentucky. And for every committee demanding a halt in statue production, there's one proposing a new start.

Its pigeons are skilled, yet casual, panhandlers, and its squirrels think the pits from martini olives are hazelnuts -- which makes them the most ill-informed, but the best-fed, squirrels in the land.

Yet Washington is indeed a beautiful and dynamic city, rich in tradition and charm and promise, as befits a capital of the world.

Some unusual situations are inevitable, because among our cities, Washington is unusual.

After all, the District of Columbia is the only municipality in the Nation--if not the world--with three mayors, 535 council members, and far more than a hundred million non-resident citizens.

But I have digressed...

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I did not make reference to your 16 Committee meetings of Tuesday in a satirical, or critical, sense. The subjects of those sessions have been before the members of the League for a long time, and are closely related to the well-being of our people not only in the cities but along the entire countryside--coast to coast.

Let me recall some of them, not necessarily in order of importance:

Community Facilities---Economic Development...Housing...Pollution Control...Transportation...Beautification...Utilities...Law Enforcement... Revenues and Finance, and ...Water Resources.

Lifting them to their highest levels of value to citizens represents a great challenge, and great responsibility in planning and performance, for the Administrations of every city.

You are in Washington this week to mobilize greater resources for meeting the challenge, carrying the responsibility. That's what Legislative Conferences are all about.

Allow me, then, to make this observation:

There is tremendous reservoir of largely untapped resources for improving the quality of life in cities--large cities and small.

This reservoir of resources is in rural America.

Properly developed and utilized, they will speed up progress in conquering urban problems and improve the tone of the national environment.

The greatest of these resources is space.

Space for families...space for the storage of water that is clean and

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pure...space to ride in, and park on...space to learn and play and work in... space where the pollution of air can be prevented rather than treated.

Let me quickly emphasize that I am not suggesting the development of rural America at the cost of diminishing cities. That would be an unfair, undesirable price. Such an approach would shift, rather than solve, the social and cultural and economic problems facing both countryside and city.

I'm talking about sharing growth--not recommending the shuffling of existing families and institutions around like papers between IN and OUT baskets.

Present trends point toward megalopolitan expansion rather than reasonable geographic distribution of opportunities and people.

The year 2000 is not far away. Babies born this year will be just becoming well established in careers and in rearing their own families when that year rolls around.

And by then we could--unless we shift gears--have 240 million people shoved into just 8.7 percent of the Nation's land area. It would constitute an all-time, world record in crowding--allowing only a square mile of space for each 774 residents. We often think of Japan in terms of many people in a rather small space--but the population density there is a hundred fewer per square mile than our megalopolitan potential.

If we had 240 million people on 8.7 percent of the land in the year 2000, we would have at the same time only 60 million--20 percent of the population--on the 91.3 percent of the land area classified as countryside.

As the song goes in The Music Man, that spells trouble...and it starts

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with P...and it comes from having too many people in too few places.

Actions are underway to combat the trend.

State and Federal legislators, city councils and county boards, sociologists, planners, educators, leaders in business and industry, and concerned citizens of both city and countryside are becoming increasingly involved.

You know about urban activities for improving the environment--you are here now to make them more effective. Similar programs are underway on the countryside. Rural leadership is increasingly combining local resources with those of State and Federal governments to improve public services...upgrade institutions related to health and education...make natural resources more responsive to the multiple uses of crops, outdoor recreation, water storage wildlife conservation and enjoyment of beauty.

I could recite a long list of achievements in all those areas, as well as citing productive and economic progress for farm families that is making them ever-better customers for goods and services.

The record speaks for itself. It's a good record--but not good enough.

An uncoordinated, township-by-township, town-by-town approach to putting rural America in shape to encourage business and industrial expansions--and people--to make it their home will all too often be marked with delays and inefficiencies.

President Johnson has recognized that possibility, and has proposed a start on remedial action.

In a Message to the Congress last January, the President pointed out that even with the help of new programs to combine Federal and local resources for improved public services, "too few rural communities are able to marshal

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sufficient physical, human, and financial resources to achieve a satisfactory level of social and economic development."

He continued:

"The central advantage of the city has been that a large and concentrated population can provide the leadership and technical capability, and can achieve economies of scale in operations, to provide adequate public services and facilities for its people.

"On the other hand, it is difficult, if not impossible for every small hamlet to offer its own complete set of public services. Nor is it economical for the small city to try to achieve metropolitan standards of service, opportunity, and culture without relation to its rural environs.

"The related interests of each--the small city and its rural neighbors--need to be taken into account in planning for the public services and economic development of the wider community. In this way the benefits of creative Federalism can be brought to our rural citizens. The base exists for such coordinated planning."

It is with the aim of enabling our rural leadership to move from such a base that the President, in that Message, proposed legislation making possible the creation of Community Development Districts. It is now before the Senate Committee on Agriculture and Forestry, and the House Agriculture Committee.

The base to which the President referred is the new community brought into existence by advancements in travel and communication. It has no map-marked boundaries. It is informally sketched by the trading or commuting

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patterns which rural and city residents have drawn in driving to jobs, to stores, to college, to the homes of relatives and friends, and to recreational and cultural facilities. This is a functional community, usually with a small or medium-sized city in the center.

The Community Development District Act of 1966, if approved by the Congress, would authorize grants to help such communities in planning development on a comprehensive and coordinated basis.

These districts would be delineated by State government in cooperation with local governments, and approved by the Secretary of Agriculture.

They would be governed by boards whose members are appointed by, and responsible to, the participating local city, town and county governments. The traditional functions of local governments would remain unaffected. At the same time, each would have its capability to utilize Federal aids substantially improved.

Federal assistance to the new districts would help support three areas of action:

1. Coordinated and comprehensive planning for all public services, development programs, and governmental functions within the District.
2. Continuing liaison with Federal and State agencies.
3. A complete survey of resources and needs within the District, such as labor skills, industrial sites, land and water resources, health care, education, housing, cultural opportunities and public services.

The Community Development District concept is not entirely new, at home or abroad.

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Just the other day I received a most interesting, and encouraging, letter from a minister in Nebraska. He and fellow pastors representing a small city and towns of a commuting area got together to explore ways for enabling the young people of their churches to remain at home after completing their schooling, rather than moving away in search of employment. They then involved others in their discussions and surveys--including representatives of the area's business, industry, agriculture, and local governments.

"What we want to do," the pastor wrote, "is form a Community of Communities."

That's a good description of the Community Development District idea.

The Wall Street Journal not long ago reported that decentralization of business and industry is changing the face of Europe. More and more companies are switching operations to areas in England, France, Germany and Spain once considered suitable for only farming and tourism. Some European governments are combining incentives with regulations that discourage new business and industrial developments from adding to existing metropolitan space and social problems.

I am hopeful that city officials, and town councils and county board members will look with favor on the Community Development District during its legislative travels, and seek to use it when it becomes a part of the local and national policy and program structure for advancement of the general welfare.

Last week, in Iowa, a new president was inaugurated at one of our great educational institutions--Iowa State University.

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Speaking of the future role of education, President Robert Parks  
said:

"We must adopt a philosophy which will permit us to adjust our lives  
and our institutions so that science--rather than being a dehumanizing threat--  
can become a liberalizing and liberating force opening up our lives to new  
ideals, new values, higher human goals."

The science of government can be a force in adapting space to the needs  
of people--opening up new values in daily living in both city and country-  
side.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, March 31, 1966

Freeman Announces Dairy Actions:

Secretary of Agriculture Orville L. Freeman today announced a series of dairy actions designed to strengthen dairy farmer income while maintaining consumer prices at fair levels.

"I am announcing moderate increases in dairy support prices and in minimum prices to producers of bottling milk which will encourage an increase in the production of milk and avoid substantial price increases in milk and dairy products to consumers in months ahead.

"The dairy farmer, particularly those who produce milk for processing into butter, cheese and other products, has been and is among the lowest paid of all producers. He earns a very modest return on his investment, and his income represents an equivalent wage averaging hardly more than 50 cents an hour in most instances."

The Secretary announced three related actions:

\* He established price supports for milk used in manufacturing butter, cheese and other dairy products at \$3.50 per hundredweight for the period April 1 through March 31, 1967. The new support level is 26 cents a hundredweight above the 1965 level, but is well below current market prices which are averaging about \$3.79.

\* He said he revoked the action taken March 1 to suspend minimum fluid, or bottling, milk prices in Federal Milk Market Order areas and proposed to establish minimum price levels which will average lower than at present.

This action, which will be effective April 10, will generally peg fluid milk prices about 22 cents a hundredweight higher through June in most areas than the orders would have otherwise provided.

\*He announced that the Cheddar cheese import quota will be increased by 926,700 pounds for the year ending June 30. This is an increase of about one-tenth of one percent of Cheddar cheese consumption in the United States. He said the President is directing the United States Tariff Commission to study and report on the advisability of higher Cheddar cheese import quotas for an extended period.

The action to increase Cheddar cheese imports is being taken to help alleviate an imbalance in manufacturing milk supplies which has developed as cheese and butter manufacturers compete for existing supplies of manufacturing

milk. Strong demand for cheese is diverting milk from butter production. Many small creameries face disaster from the cost-price squeeze that results. The increase in butter prices which results threaten to hurt the market for butter -- an action which in the long run will injure dairy farmers who produce mainly for butter production.

"The actions I have taken today reflect some of the most difficult decisions I have faced as Secretary of Agriculture. I have not gone as far as some would like, but I have gone further than others would prefer.

"What I have sought is to assure dairy producers of a stronger price level during the year ahead than otherwise would likely have prevailed. Even though the support price is below current market prices, the fact that it guarantees a floor for the year means a more adequate supply of milk and dairy products at lower retail price levels than we could expect from an otherwise short supply situation," the Secretary said.

The new price supports for manufacturing milk are the equivalent of 78 percent of the parity price for milk and 75 percent of the parity price for butterfat. The Agriculture Act of 1949 requires that prices to farmers for milk and butterfat be set between 75 and 90 percent of parity.

The Secretary noted that milk production has fallen increasingly behind year ago levels since mid-1965. February production was down 5.8 percent from February 1965, and production was down most sharply in the Corn Belt and Lake States where most manufacturing milk is produced. Unless the drop in supply is checked, consumer prices could go much higher than now.

He said a number of causes are apparently behind the decline, including the rise in beef prices, higher farm labor costs and more job opportunities off the farm, and the low milk-producing quality of last year's roughage crop.

Attached are releases on the details of each action announced by Secretary Freeman.

"Conditions affecting milk supplies will be kept under constant watch, and we will be prepared to take further action if it becomes necessary to protect the interest of consumers and producers," the Secretary said.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Freeman Encourages Expanded Milk Production:

Washington, March 31, 1966

Secretary of Agriculture Orville L. Freeman took action today to encourage expanded milk production in order to assure an adequate supply of milk and dairy products for domestic market needs and high priority programs. Expanded output will mean lower retail prices for consumers than would otherwise be expected, while the higher support level will provide greater price protection to the nation's dairymen.

The action taken will increase the support price for manufacturing milk to \$3.50 a hundredweight and the support price for butterfat in farm-separated cream to 61.6 cents a pound for the period April 1, 1966 through March 31, 1967. The new support levels are well below current market prices. The national average price of manufacturing milk, adjusted for seasonal milk fat content, in March was \$3.79 a hundredweight while the average price of butterfat was 63 cents a pound.

The supply of milk is expected to increase in coming months in response to the assurance that prices will not fall below the new support level. The more adequate supply of milk should hold actual milk prices to consumers at lower levels than otherwise expected for later this year.

The new support prices reflect 78 percent of the parity equivalent price for milk and 75 percent of the parity price for butterfat. Until today's action, support prices since April 1, 1965, have been \$3.24 per hundredweight for manufacturing milk and 59.4 cents per pound of butterfat in farm-separated cream.

The Agricultural Act of 1949 requires the support of prices to farmers for milk and butterfat at such level between 75 and 90 percent of parity as will assure an adequate supply.

Total milk production has fallen increasingly below a year earlier since mid-1965. In February this year, it was 5.8 percent below a year ago. Production was down sharply in the Corn Belt and Lakes States where much of the manufacturing milk is produced. Apparent reasons include relatively good prices of meat animals, high farm labor costs, increased off-farm opportunities, and low milk-producing quality of last year's roughage crop.

The lower milk production has been reflected in sharply reduced output of manufactured dairy products. Production of butter and nonfat dry milk this winter has been 25 percent below a year ago, and cheese production also has been lower than last year.

Market prices in recent months have been well above the support level. The U.S. average price of manufacturing milk in March (Adjusted for seasonal milk fat test) was 55 cents above the current support of \$3.24.

The Government has no uncommitted price support stocks of dairy products. Bids were requested during March on butter for school lunch use under the new purchase authority (Sec. 709) in the Food and Agriculture Act of 1965, but only a few bids were received on small quantities at prices substantially above market prices.

No cheese has been acquired or distributed for school lunch or welfare use since mid-1965, as market demand has been strong, production down, and market prices well above support.

Nonfat dry milk has been continued in both domestic and foreign school lunch and welfare uses and has played an important role in these programs.

The new support price of \$3.50 per hundredweight for manufacturing milk is for milk of national yearly butterfat test, which last year approximated 3.73 percent for manufacturing milk. (A corresponding price for manufacturing milk of 3.5 percent butterfat test would be \$3.28 per hundredweight. Many plants pay on the basis of 3.5 butterfat test for milk).

In carrying out the program to support prices to farmers for milk and butterfat, USDA will continue to offer to purchase butter, cheddar cheese, and nonfat dry milk in carlot quantities. Because the parity and support prices are higher, the announced purchase prices are increased by 2 cents a pound for butter, 2 cents a pound for nonfat dry milk and 3.2 cents a pound for cheddar cheese. The new purchase prices for butter and cheese, however, are well below their average market price levels in recent months.

The support buying prices for products will be as follows:

<u>Butter</u>	<u>Produced before April 1, 1966</u>	<u>Produced on and after April 1, 1966</u>
	(cents per pound)	
U.S. Grade A or higher:		
New York, N. Y., and Jersey City and Newark, N. J.	59.75	61.75
Seattle, Wash., San Francisco, Calif., California, Alaska, and Hawaii	59.00	61.00
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	58.75	60.75

The price of butter located at any other point will be the price at a designated market (New York, Seattle, or San Francisco) named by the seller, less 80 percent of the lowest published domestic railroad carlot freight rate per pound gross weight, in effect when the offer is accepted, from such point to such designated market.

U.S. Grade B:

2 cents per pound less than the price for U.S. Grade A.

<u>Cheddar cheese</u>	<u>Produced before April 1, 1966</u>	<u>Produced on and after April 1, 1966</u>
	(cents per pound)	
U.S. Grade A or higher, standard moisture basis	36.1	39.3
<u>Nonfat dry milk (spray) in</u> <u>100-pound bags with sealed</u> <u>closures</u>		
U.S. Extra grade:	14.6	16.6

(In addition to meeting the standards for U.S. Extra Grade, nonfat dry milk purchased must contain not more than 3.5-percent moisture.)



UNITED STATES DEPARTMENT OF AGRICULTURE

Baker DU 8-7587  
Clark DU 8-4026

Washington, March 31, 1966

USDA Decision on Fluid Milk Prices to Dairy Farmers in 74 Federal Milk Order Areas:

The U.S. Department of Agriculture today announced details of a decision under the Federal milk marketing order program that is designed to assure adequate supplies of milk for consumers. Prices consumers pay are not regulated by the orders.

The emergency decision will terminate the March 2 suspension of seasonal changes in fluid milk prices and will set minimum prices to farmers for the next several months under all 74 Federal milk marketing orders. This action represents a price decline in 25 markets and an increase in prices in 14 markets. Prices in 35 markets will not change.

Consumer and Marketing Service officials said the changes in pricing will become effective at 12:01 a.m., April 10, 1966.

The final decision, if adopted, would make three principal changes from present arrangements under the orders for the pricing of milk to dairy farmers.

(1) The emergency action taken on March 2 (Press Release USDA 646-66) to prevent the usual seasonal declines in minimum prices to be paid producers in markets where prices vary seasonally, is being terminated. By today's action, fluid milk (Class I) prices in 47 markets then will be established by the normal operation of the pricing formulas, with 22 cents per hundredweight to be added during the temporary period. This 22-cent increase over the price normally yielded by the formulas would be effective through June, the period of seasonally lower prices.

(2) For the 27 other Federal milk order markets, where there is no seasonal drop during the spring months in the required minimum Class I prices to producers, today's decision provides that prices through June will not be lower than the required minimum price to producers in April.

(3) Today's decision also provides for the return to normal formula pricing plus 22 cents, in a number of Midwest markets where temporary Class I price amendments were made last December to apply through June.

The temporary adjustment of 22 cents in the 47 markets, where prices vary seasonally, which is about  $\frac{1}{2}$  cent a quart, is needed in order for prices to adequately reflect the current supply and demand situation, officials said.

For the 27 other markets which have no seasonal declines, this is accomplished through the guarantee to farmers through June of prices no lower than the April levels.

Because of the emergency conditions which the hearing evidence revealed, the usual recommended decision is being omitted and this final decision is being submitted promptly to farmers for approval.

The 47 markets are: Chicago, Milwaukee, Madison (Wis.), Rock River Valley (Illinois-Wisconsin, Quad Cities-Dubuque, Cedar Rapids-Iowa City, North Central Iowa, Des Moines, St. Louis, Suburban St. Louis, Northwestern Indiana, St. Joseph (Mo.), Kansas City, Neosho Valley (Kansas-Missouri), Paducah, Nashville, Memphis, Central Arkansas, Oklahoma Metropolitan, Texas Panhandle, North Texas, Ozarks (Missouri-Arkansas), Red River Valley (Oklahoma-Texas), Lubbock-Plainview, Central West Texas, Austin-Waco, San Antonio, Corpus Christi, Appalachian, Delaware Valley, New York-New Jersey, Mass.-Rhode Island, Connecticut, Fort Smith, Northeastern Ohio, Upstate Michigan, Youngstown, Michigan Upper Peninsula, Mississippi, New Orleans, Northeastern Wisconsin, Northwestern Ohio, Rio Grande Valley, Washington, D.C., Upper Chesapeake Bay, Duluth-Superior and Minneapolis-St. Paul.

The 27 markets are: Black Hills, Central Arizona, Chattanooga, Cincinnati, Clarksburg, Columbia, Dayton-Springfield, Eastern Colorado, Eastern South Dakota, Fort Wayne, Great Basin (Utah, Nev., Idaho, Wyo.) Indianapolis, Inland Empire (Wash.-Idaho), Knoxville, Louisville-Lexington-Evansville, Nebraska-Western Iowa, Northern Louisiana, Puget Sound, Sioux City, Southeastern Florida, Southern Michigan, Southwest Kansas, Tri-State, Wheeling, Western Colorado, Wichita, Tampa Bay.

The 74 markets cover parts of the following 35 States and the District of Columbia: Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, Ohio, Oklahoma, Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, March 31, 1966

Cheddar Cheese Import Quota Expanded, Future Needs to be Studied:

Secretary of Agriculture Orville L. Freeman said today that the Cheddar cheese import quota for the remainder of this fiscal year will be increased and the United States Tariff Commission will study and report to the President on the advisability of higher import quotas for Cheddar cheese for an extended period.

The action was taken in accordance with procedures under Sec. 22 of the Agricultural Adjustment Act, as amended. It will increase the U.S. import quota for Cheddar cheese for the period March-June 1966 by 926,700 pounds, pending a study and report by the Tariff Commission. The existing annual quota is 2,780,100 pounds. The increase represents about one-tenth of 1 percent of the annual consumption of Cheddar cheese in the U.S.

The Secretary said the President has directed the Tariff Commission to study and report to him by June 1 on the need to increase Cheddar cheese imports for the quota year 1966/67 beginning July 1, 1966 by as much as 5,560,200 pounds over the present import quota of 2,780,100 pounds. Also, the President has directed the Tariff Commission to report on the advisability of an additional increase of 1,225,000 pounds in the Cheddar cheese import quota, for an indefinite period, to be applied only to aged Cheddar. In recent years most cheese of this type has been imported from Canada. If such increases are effected, the total Cheddar cheese quota for the quota year 1966/67 will be 9,565,300 pounds. This would amount to less than 1 percent of the Cheddar cheese consumed annually in the United States.

The actions are in response to the decline in U.S. milk production that has taken place in recent months and the rise in prices of cheese. They will help alleviate an imbalance in manufacturing milk supplies which has developed as cheese and butter manufacturers compete for existing supplies of manufacturing milk. Strong demand for cheese is diverting milk from butter production. Many small creameries face disaster from the cost-price squeeze that results. The increase in butter prices that results threatens to diminish the market for butter -- an action which in the long run will injure dairy farmers who produce mainly for butter production.

The Cheddar cheese announcements supplement announcements made today by the Secretary of Agriculture that price supports for manufacturing milk, in the year beginning April 1, 1966, will be increased from the present \$3.24 per hundred-weight to \$3.50 and price formulas for milk processed for fluid consumption also will be revised to encourage expanded milk production.

(The Secretary's letter to the President and the President's letter to the Tariff Commission follow):

(more)





DEPARTMENT OF AGRICULTURE  
Washington, D.C.

March 31, 1966

The President  
The White House

Dear Mr. President:

The importation of certain dairy products is limited by quotas established by Presidential Proclamations pursuant to the provisions of Section 22 of the Agricultural Adjustment Act, as amended. These quotas were proclaimed to protect the programs and operations of the Department of Agriculture from material interference from imports.

From a preliminary examination of the domestic dairy situation, there is reason to believe that additional quantities of Cheddar cheese may be imported for a temporary period without causing material interference with the Department's price support programs for milk and butterfat. On the basis of our estimates of milk production for the year beginning April 1966 under the support program announced for that year and estimated prospective utilization, it is likely that not in excess of 926,700 pounds of Cheddar cheese in addition to the existing quota may be imported for the current quota year ending June 30, 1966, and not in excess of 5,560,200 pounds of Cheddar cheese in addition to the existing quota may be imported during the quota year July 1, 1966 through June 30, 1967 without causing material interference with the Department's price support programs.

Cheddar cheese prices have been maintained at a relatively high level over the past year and have continued to rise in recent weeks. Furthermore, the current tight situation with respect to Cheddar cheese production is expected to continue for some time.

Accordingly, I recommend that you direct the Tariff Commission to make an investigation under Section 22 of the Agricultural Adjustment Act, as amended, to determine whether an amount not exceeding 926,700 pounds of Cheddar cheese may be imported, in addition to existing quotas, during the quota year ending June 30, 1966, and an amount not in excess of 5,560,200 pounds of Cheddar cheese may be imported in addition to existing quotas during the quota year July 1, 1966 to June 30, 1967 without materially interfering with the price support programs for milk and butterfat undertaken by the Department of Agriculture, or to reduce substantially the amount of products processed in the United States from domestic milk and butterfat.

I believe that a condition exists which requires emergency treatment and that in order to moderate the possible further increases in Cheddar cheese prices, you should take immediate action to increase the Cheddar cheese

quota for the current quota year ending June 30, 1966, by 926,700 pounds without awaiting the formal review and recommendations of the Tariff Commission, in accordance with the provisions of Section 22 (b) of the Agricultural Adjustment Act, as amended.

The question has been raised whether a quantity of natural Cheddar cheese made from unpasteurized milk aged not less than nine months, in addition to the Section 22 import quota on Cheddar cheese, and cheese and substitutes for cheese containing or processed from Cheddar cheese, may be entered without interfering with the price support program. You may wish to direct the Tariff Commission to include in its investigation and report to you its recommendations on whether the entry of 1,225,000 pounds of natural Cheddar cheese made from unpasteurized milk aged not less than nine months may be imported in addition to the Cheddar cheese quota without materially interfering with the price support programs.

It is recommended that you request the Tariff Commission to complete its investigation and report to you as promptly as possible on the increase of the Cheddar cheese quota for the current quota year. The Tariff Commission report to you on the other matters under investigation should be completed before June 1, 1966 in order to incorporate the necessary changes for the new quota year beginning July 1, 1966.

A draft of a suggested letter to the U. S. Tariff Commission and a draft proclamation are enclosed.

Sincerely yours,

/s/ Orville L. Freeman

Enclosures 2

USDA 987-66

LETTER TO THE U. S. TARIFF COMMISSION  
FROM THE PRESIDENT

Mr. Paul Kaplowitz  
Chairman  
U. S. Tariff Commission

Dear Mr. Chairman:

I have been advised by the Secretary of Agriculture that there is reason to believe that due to changed circumstances the existing import quota on Cheddar cheese, and cheese substitutes for cheese containing, or processed from, Cheddar cheese, established pursuant to Section 22 of the Agricultural Adjustment Act, as amended, may be enlarged as indicated below without rendering or tending to render ineffective or materially interfering with, the Department of Agriculture's price support programs for milk and butterfat.

The Secretary has also advised me, pursuant to Section 22 (b) of the Agricultural Adjustment Act, as amended, that a condition exists requiring emergency treatment with respect to such products and has therefore recommended that I take immediate action under Section 22 (b) to increase the existing quota quantity for the remainder of the current quota year ending June 30, 1966 by 926,700 pounds, pending investigation and report of the Tariff Commission. I have therefore this day issued a proclamation increasing by 926,700 pounds the quantity of such products which may be admitted during such period.

It is requested that the Tariff Commission make a supplemental investigation under Section 22 (d) of the Agricultural Adjustment Act, as amended, to determine--

- (1) whether for the current quota year ending June 30, 1966 the existing quota of 2,780,100 pounds may be increased by 926,700 pounds,
- (2) whether the existing quota of 2,780,100 pounds may for an indefinite period be enlarged to 4,005,100 pounds, not more than 2,780,100 pounds of which shall be products other than natural Cheddar cheese made from unpasteurized milk and aged not less than 9 months, and also
- (3) whether for the quota year beginning July 1, 1966 and ending June 30, 1967 the existing quota of 2,780,100 pounds may be increased to 9,565,300 pounds, not more than 8,340,300 pounds of which shall be products other than natural Cheddar cheese made from unpasteurized milk and aged not less than 9 months,



without rendering or rending to render ineffective or materially interfering with the said programs of the Department of Agriculture.

The Tariff Commission is directed to submit its report and recommendation on the emergency action I have taken with respect to the current quota year as promptly as practicable; and to submit its report of its findings and recommendations on the other matters no later than June 1, 1966.

USDA 987-66



PROCLAMATION AMENDING PART 3 OF THE APPENDIX TO THE  
TARIFF SCHEDULES OF THE UNITED STATES WITH RESPECT  
TO THE IMPORTATION OF AGRICULTURAL COMMODITIES

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), by Presidential Proclamations limitations have been imposed on the quantities of certain dairy products which may be imported into the United States in any quota year; and

WHEREAS, in accordance with section 102(3) of the Tariff Classification Act of 1962, the President by Proclamation No. 3548 of August 21, 1963 (28 F.R. 9279) proclaimed the additional import restrictions set forth in part 3 of the Appendix to the Tariff Schedules of the United States; and

WHEREAS, the import restrictions on certain dairy products set forth in part 3 of the Appendix to the Tariff Schedules of the United States as proclaimed by Proclamation No. 3548 have been amended by Proclamation No. 3558 of October 5, 1963, Proclamation No. 3562 of November 26, 1963, Proclamation No. 3579 of July 7, 1964, and section 88 of the Tariff Schedules Technical Amendments Act of 1965 (79 Stat. 950); and

WHEREAS the Secretary of Agriculture has reported to me that he believes that additional quantities of cheddar cheese may be imported for a temporary period without rendering or tending to render ineffective, or materially interfering with, the price support program undertaken by the Department of Agriculture with respect to milk and butterfat or reducing substantially the amount of products processed in the United States from domestic milk and butterfat with respect to which such program of the Department of Agriculture is being undertaken; and

WHEREAS, under the authority of section 22, I have requested the United States Tariff Commission to make an investigation with respect to this matter and

WHEREAS, the Secretary of Agriculture has determined and reported to me that a condition exists with respect to cheddar cheese which requires emergency treatment and the quantitative limitation imposed on cheddar cheese should be increased for the quota year ending June 30, 1966, without awaiting the recommendations of the United States Tariff Commission with respect to such action; and

WHEREAS I find and declare that the importation during the remainder of the quota year ending June 30, 1966, of the additional quantity of cheddar cheese permitted by the increase in quota specified below will not render or tend to render ineffective, or materially interfere with, the price support program which is being undertaken by the Department of Agriculture with respect to milk and butterfat and will not reduce substantially the amount of products processed in the United States from domestic milk and butterfat; and that a condition exists which requires emergency treatment and the quantitative limitation imposed on cheddar cheese should be increased for the quota year ending June 30, 1966, without awaiting the recommendations of the United States Tariff Commission with respect to such action:

NOW, THEREFORE, I, LYNDON B. JOHNSON, President of the United States of America, acting under and by virtue of the authority vested in me as President, and in conformity with the provisions of section 22 of the Agricultural Adjustment Act, as amended, and the Tariff Classification Act of 1962, do hereby proclaim that--

The quota quantity amount for cheddar cheese, and cheese and substitutes for cheese containing, or processed from, cheddar cheese specified in item 950.08 of part 3 of the Appendix to the Tariff Schedules of the United States is increased from 2,780,100 pounds to 3,706,800 pounds for the quota year ending June 30, 1966, such increase to continue in effect pending Presidential action upon receipt of the report and recommendations of the Tariff Commission with respect thereto. The quota quantity amount for such products for any quota year after the quota year ending June 30, 1966, shall be 2,780,100 pounds unless changed by further Presidential action.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 31st Day of March in the year of our Lord nineteen hundred and sixty-six, and of the Independence of the United States of America the one hundred and ninetieth.

By the President:

Secretary of State

USDA 987-66



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7 U. S. Department of Agriculture  
Office of the Secretary

Today a dream of long duration has become a reality.

Four years ago this magnificent Washington Data Processing Center was, indeed, little more than a dream.

Today it is here. It is real. Already it is demonstrating the kind and the amount of work it can do for us ... and promising operational speed and accuracy which will greatly accelerate our cost-cutting campaign.

The establishment of this Center is of major significance to program administration in the Washington area, for it represents a monumental step forward in our determined march toward improved Department management.

Here, today, in this new Center, management's latest techniques and tools are proudly on display.

The significance of this occasion can best be measured, perhaps, by a glance into the past, an assessment of the present, and a look into the future.

When I became Secretary of Agriculture, we had but five computers in the Department. With this new installation, we now have 30.

Our Department has made a significant investment in computing equipment with a pay-off not only in cost reduction but also contributing to the improvement of the program operation itself.

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Statement by Secretary of Agriculture Orville L. Freeman at the Washington Data Processing Center Dedication, U. S. Department of Agriculture, Washington, D. C., Friday, April 1, 1966, 9:30 a.m., EST.

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These contributions have resulted in consolidation of offices and better management information -- enabling us to do more with less.

Just a short while ago, the data needs of this Center's parent organization -- the Statistical Reporting Service -- together with certain other agencies the Center was designed to serve, were being processed with rented time on 11 machines in 7 separate locations. Obviously, this is no way to run a railroad.

The changeover of these various programs to computers in this Center is now in full swing. That conversion process will be completed by the close of 1966.

It should be apparent to all, by now, that a computer complex offers better, faster and more economical service to data users in USDA and to all other government agencies using its facilities.

As an example, I might cite the experience of the Soil Conservation Service. A hydrology program has been developed for SCS. Had this program been activated by the required additional manpower -- instead of handled by the computer Center -- it would have cost SCS an additional \$865,000 in fiscal year 1965. As this program's use grows, it is projected that a cost reduction in the magnitude of \$1,300,000 will be realized during fiscal year 1966.

Providing much of this increased data handling capability is a new computer the Center installed just a few days ago. I can't testify as an expert on its superiority over earlier models in terms of bytes, bits, or micro-seconds. But I can tell you that the USDA experts

(more)

in computer technology believe it to be one of the most up-to-date, sophisticated models ever built.

Its addition to the Center assures us that the complex not only can handle its present workload with dispatch and efficiency, but is now geared to cope with the most complex needs of future users as well. Its work output potential strains the human imagination.

Perhaps it might be fitting to review, briefly, what the advent of computers has meant to the Department.

Through their use we have been able to undertake many major program modernizations which would not have been possible without them. Two which come to mind immediately are the immense cotton program in New Orleans and the grain inventory management program in Kansas City carried out by the Agricultural Stabilization and Conservation Service.

In the Forest Service millions of dollars have been saved by the use of computers in the handling of complex engineering data for road building.

Currently, we are mechanizing through computers the immense timber management program of our Department, the world's largest marketer of lumber.

Here in the Washington Data Processing Center, the Statistical Reporting Service is handling such diverse functions as the June-December enumerative survey of crop estimates, and the corn and wheat objective surveys of crop reporting.

(more)

What does all this mean? It means that this growth in automatic data processing equipment has increased our work capability in the Department more than 200 times what it was in January of 1961.

The installation of this new computer in the Washington Data Processing Center marks the culmination of much hard work by Dr. Trelogan, who spearheaded the effort to establish the Center, Dr. Kendrick, who now has the demanding and difficult job of managing the Center, and by other members of the Statistical Reporting Service staff.

The establishment of this facility stands as a tribute to these individuals, it is true. But the Center represents more than that. It stands as working proof of the U. S. Department of Agriculture's accelerated usage of the most modern management tools available to keep our services attuned to the dynamic progress of American agriculture, the rapidly developing rural community programs, and the increasing demands of city people for our advice and assistance.

I am proud and happy to take part in this dedication ceremony.

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USDA 1005-66

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3 U. S. Department of Agriculture  
7 Office of the Secretary

Thank you, Joe Robertson.

Mr. President, this is a great day for the United States Department of Agriculture. A great day for all of us who are part of it ... but an especially great day for 37 of our fellow workers who are being honored for responding in so enthusiastic and creative a way to your declaration of War on Waste in government.

We in the Department closely identify ourselves with your efforts to control waste and loss in government, sir, for as the agency responsible for programs to improve the income, health, education, and economic and social opportunities for rural Americans ... and as the agency which must feed, encourage, and brighten the lives of millions of hungry people overseas ... we know how desperately every dollar is needed ... and we know that neither time nor money can be squandered.

I have long shared your insistence that government get a dollar's value for every dollar spent, Mr. President.

When I was Governor of Minnesota, we instituted a self-survey technique which encouraged task forces and study groups to scrutinize state problems and procedures and recommend changes to improve both efficiency and savings.

When I became your Secretary of Agriculture, similar cost-cutting procedures were encouraged, Mr. President, and these efforts were further vitalized by your declaration of War on Waste.

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Remarks by Secretary of Agriculture Orville L. Freeman introducing The President of the United States at Cost Reduction Awards Ceremony, Patio, U.S. Department of Agriculture, Washington, D.C., 10 a.m. Tuesday, April 5, 1966.

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I am happy to report that the people of this Department have responded to the challenge with zest, imagination and ingenuity ... and I am proud of their accomplishments.

Because of their combined efforts, I was able to report to you a year ago that our Department had realized improvements in management and operations for the period 1961-1965 that averaged \$250 million per year.

We set an even more ambitious cost-cutting goal for fiscal 1966, Mr. President, and I am most pleased to tell you that today we are more than half-way to that mark of \$456.3 million, a figure we have submitted to you for review.

In the first half of this fiscal year, which began last July 1, we reduced anticipated costs of this Department by \$223.5 million.

The savings are being made in the major key, where millions of dollars are involved, and in the minor key, where cost-cutting is measured in hundreds of dollars.

They range from such impressive figures as the estimated \$210 million which will be saved in fiscal 1966 by use of private insured funds instead of Federal funds in rural housing programs ... to the \$200,000 which will be saved this year through new publications control measures.

They range from the \$8.7 million saved in reduced grain and cotton storage rates in 1965 (and an estimated \$16.3 million in 1966) ... to the \$9,000 a year savings effected by a drilling rig clamp designed by a Soil Conservation Service man from your home state, Mr. President, a man who is also being honored today.

(more)

Obviously, thousands of USDA employees were involved in effecting these savings. I wish we could honor them individually today. But since there is not room, the 37 you see before you, Mr. President, will represent all of them.

This is the first group to receive the Secretary's Special Merit Award for Outstanding Cost Reduction Achievement which I established last January.

The annual value of the cost reduction actions instituted by this group, which incidentally represents 12 agencies, amounts to more than \$26 million in Federal funds, and more than \$170,000 in non-Federal funds.

Our cost-reduction effort in the Department of Agriculture, Mr. President, is one part of what we here refer to as the 4-C's: Commodities, Consumers, Communities and Cost Reduction. We strive to give all of them equal attention.

\*Our commodity programs, of course, are crucial to farm income. Five years ago surpluses were a crushing burden, and farm income was at a very low level. Since that time per capita farm income has increased 35 percent, and last year's \$14 billion net income was the best non-war time farm year in history. Surpluses have been largely eliminated. Food and fiber are being moved to millions of people throughout the world. Farm exports are at record levels, approaching \$6.56 billion this year, and accounting for one of every six dollars the farmer earns from the sale of his products. And last year the Congress passed the most important Food and Agriculture Act since 1938, an Act which has given us both stability and flexibility.

But even with the steady improvement in farm income in recent years,

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the average income of persons on farms is still less than two-thirds the per capita income of our non-farm population.

With this fact before us as a constant challenge, we are redoubling our efforts to achieve satisfactory incomes for farmers at prices which will be reasonable to consumers and will allow us to compete in the export markets.

\*The second C is for consumers. Our consumer programs provide Americans with more and better food at the greatest bargain prices in history. The average American spends only 18.2 percent of his disposable income on food.

Some concern has been expressed recently, however, about the rise in consumer prices. The Consumer Price Index announced last week showed a further small increase in the retail price of food.

But I can report to you today, Mr. President, a downward trend for the rest of 1966. The Price Index released last week is already history, for it shows prices as of mid-February -- seven weeks ago. Since that time the average price of all farm products has declined, and for some products the decline has been relatively sharp.

We expect average prices of all farm products to be 6 to 10 percent lower next fall and winter than they are today. If the food industry will respond quickly to lower farm prices, retail prices to consumers will diminish. This requires responsible action by the management of our food marketing firms, for without such action lower farm prices will simply mean larger profit margins for the marketing firms -- with no benefit accruing to the consumer.

In this same area of concern lie our obligations in food assistance at home and abroad. Some 42 million Americans benefit nutritionally today

(more)



because of the direct food distribution, food stamp, school lunch and school milk programs. Overseas millions of people are benefiting from our abundance and our humanitarianism. Our Food for Freedom program can become a most important tool in helping other countries stimulate their own economic development, for with its abandonment of the surplus concept, its discretionary latitude in commodity selection, and its emphasis on self-help, it will further accelerate economic growth in the developing nations and ultimately inspire a growing volume of international trade.

\*The third C stands for our community programs, now on their way to making rural America a better place in which to live. And if the Gallup Poll is any indication, Mr. President, we are moving in the right direction. The poll recently revealed that while only a third our people live in rural America, nearly half would prefer to live there if they could make a choice. It simply does not make sense to continue stacking up people in crowded cities when there is plenty of living space in the countryside. Our new Rural Community Development program lends even more emphasis to our efforts to make it possible for people who want to live in the country to earn a decent living and to share in the social benefits once restricted to the urban dweller.

\*The fourth C, Mr. President, is the C in the spotlight today -- our Cost Reduction program. And standing squarely in the spotlight are the 37 people of the Department who have brought significant new weapons to the War on Waste.

I take special satisfaction in occasions honoring personnel, for such occasions vindicate a long-held conviction. I believe in hiring the best possible people to do the job -- and, once hired, to stimulate and encourage

(more)

them to do an even better job. We try to do this in many ways, Mr. President. A good example is our utilization of the Congressional Fellowship program. The people we select for these Fellowships come back to us enriched, broadened in outlook, and of even greater value to the Department and to a Federal government determined to do the best job possible with the least waste of personnel, time ... and money.

Our challenges are great ... our responsibilities heavy. We know how much remains to be done if ever we are to have a world of serenity and abundance. And we know that in our continuing efforts to achieve this goal, we cannot, we must not, countenance waste in any form, in any measure.

And now, my fellow workers, I take great pleasure in presenting to you -- the President of the United States.

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The work done by American voluntary relief organizations in helping to meet world hunger was praised today by Secretary of Agriculture Orville L. Freeman.

Secretary Freeman told a Seminar for Lutheran Students, meeting for four days in Washington from colleges and seminaries all over the country, that the United States is blessed with the ability to produce agricultural commodities on a scale that the world has never before witnessed.

Thus, he said, "we are able to furnish food to ward off starvation in emergencies and to augment the diets of under-nourished families in more than 100 countries of the world."

"In this Easter season especially," said Mr. Freeman, "we can be thankful and humbly proud that we have the means to reduce hunger and misery among the have-not peoples of the world."

The Secretary noted that during March, the United States set what undoubtedly was a monthly export record for this country when 209 million bushels of grain were "lifted" (physically loaded) aboard ships.

He said U.S. grain exports, not including rice, are expected to top the 2 billion bushel mark for the first time in the fiscal year ending June 30. This is a 25 percent increase over the level of the past two years.

For the first nine months of the 1965-66 fiscal year, said Mr. Freeman, grain exports (including wheat, oats, barley, rye, flaxseed, corn, grain sorghums,

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Remarks by Secretary of Agriculture Orville L. Freeman at Washington Seminar for Lutheran Students, Presidential Arms, 1320 G Street, N.W., Washington, D.C., April 5, 1966, at 12:15 p.m. (EST).

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and soybeans) totaled 1,500 million bushels. He said that this level -- for just nine months -- equaled the annual totals for the record export year 1963-64 and for 1964-65. A large sale was made in 1964 to the Soviet Union.

The Secretary said commercial sales of farm products have accounted in considerable part for the recent increase in exports. But he said that under Public Law 480 -- popularly known as Food for Peace -- the United States has distributed some \$15 billion worth of food and fiber in the past dozen years. A legislative successor -- Food for Freedom -- currently is before the Congress of the United States.

Mr. Freeman said that each day nearly 63 million people in foreign countries get at least part of their daily food from distribution programs of such private voluntary organizations as CARE, Lutheran World Relief, Catholic Relief Services, Church World Service, and a dozen other agencies that cooperate in distributing U.S. foods donated under Title III of P.L. 480.

"The majority of these feeding programs involved children, the hope of the future," said the Secretary. "We estimate that in the developing nations of the free world some 171 million children under 6 years of age and 98 million between the ages of 6 and 14 suffer seriously from malnutrition. Millions die because undernourishment has sapped their resistance to disease. Millions who survive are permanently handicapped -- physically or mentally. Progress in education, as well as a nation's capacity to carry on vigorous economic development, are seriously retarded by the degree of malnutrition that prevails in many parts of the world.

"Today we know how to meet such nutritional deficiencies. We have developed new methods by which essential food requirements can be produced at low costs. USDA is stepping up its own activities to meet the problem of malnutrition.

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"The voluntary agencies are working with us on this problem. They have already begun distribution of fortified foods which will help to correct the most serious deficiencies."

Secretary Freeman said, however, that U.S. foods sold or donated under concessional programs can only postpone disaster that is "sure to come" if food production is not greatly accelerated in the developing nations.

For that reason, he said, the Food for Freedom legislation now before the Congress places strong emphasis upon self-help in the deficit nations whose populations are expanding at a rapid rate. The new legislation also abandons the P.L. 480 requirement that only foods in surplus supply may be distributed as aid.

"There is no time to be lost in helping the hungry nations to help themselves," said Mr. Freeman. "They are faced with a tremendous task in increasing their agricultural productivity.

"The link between self-help and food aid is essential to economic growth in the recipient countries. Instead of becoming increasingly dependent upon United States food aid, they can build toward the freedom that comes with self-reliance. Only when farm people begin to buy and sell to meet their own needs will their countries really begin to move their economies forward.

"The link between self-help and food aid likewise is important to the people of the United States. Paradoxically, agricultural development in the have-not nations offers to us the best opportunity for expanding exports of the products of our farms and factories.

"For example, in a half-dozen countries like Japan and Spain and Greece,



which once were food aid recipients, U.S. aid and development programs have helped to bolster economies, and today they are dollar markets for our products. Japan is the No. 1 cash customer for U.S. farm products.

"Moreover, the link between self-help and food aid is of paramount importance because it is the only way to insure victory in the war against hunger, which President Johnson urged that we wage under the Food for Freedom program. By means of this link, food from American farms today can help to insure that -- a few years from now when worldwide food needs are so great that we alone cannot possibly meet them -- productivity in the developing world will have increased enough to meet the need."

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I thank you for inviting me here this afternoon.

I welcome the opportunity to talk to this group about a grim challenge facing mankind today ... the threat of famine ... in our world ... and in our time ... and to tell you about the President's plan to meet this threat with the far-reaching proposals of his Food for Freedom program.

I want to talk to you in bluntly urgent terms, because you are practical people who seek truth and respect facts ... and because I frankly seek your commitment and your support in the war on hunger which must be waged and won in the next few decades.

Some of you will be skeptical when I say that the greatest food crisis in the history of man may occur in less than 20 years.

You will ask how that could be. You will think of America's food production genius ... of the huge surpluses we stockpiled in the past ... of the millions of tons of food we have shipped overseas since the close of World War II.

You have a right to be skeptical.

I have an obligation to convince you.

But none of us should be cynical.

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Speech to be delivered by Secretary of Agriculture Orville L. Freeman before the Overseas Press Club, New York, at 12:30 p.m. (EST) Wednesday, April 13, 1966.

An old newspaper editor once said to me: "If I must, I'll hire a drunk, a deadbeat, a Don Juan, or a moocher ... but I'll never have a cynic on the staff of this newspaper."

He was a wise man. Cynicism is a luxury today's world cannot afford.

The other day I came across these hauntingly simple lines by William Blake:

"Every night and every morn,  
Some to misery are born."

What a world of truth in that eloquent little couplet, for half of the millions of new souls who come upon this earth each year are born to misery ...

born to barren lives without hope ...

born to hand-to-mouth existence from hungry infancy  
... to disease-ridden childhood ... to premature old age.

Asian babies with reed-thin limbs and bloated bellies and haunted eyes, mewling piteously for food that is not there.

Ricketed youngsters in Africa who have never known proper nutrition.

Men and women in far-flung places desperately scratching a bare subsistence from exhausted soil with the most primitive of implements.

Old people in India toppling on the streets to die of starvation before the numbed gaze of those who might yet live on another hour, another day, another month.

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This is misery, my friends, misery and black despair.

And there will be more misery, much more, in the immediate years ahead ... unless we take bold new action in the here and now.

The Apocalyptic figure of Famine gallops across the earth astride his legendary black horse in a grim race with man's ability to feed himself.

Mankind will lose that race ... unless we resolve not to lose it and act -- act to mobilize every appropriate tool, technique and resource we have at our disposal now ... and those we can develop in the few short years before the finish line comes into view.

The years are short ... and they are few.

By 1984 ... a date with ominously Orwellian overtones ... the crisis will be upon us.

For by that year, if our studies are correct, the developed nations of this world may well have exhausted their capacity to feed the less developed hungry nations .. and what happens then?

Though hunger is not new to the world, the magnitude of the impending hunger crisis is.

Through the productive genius of the American farmer and the compassion of the American people, we have been able to avert widespread famine in recent times.

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From the day Franklin Roosevelt spelled out the principles of the Four Freedoms ... to the Marshall Plan ... to Point Four ... to the Alliance for Progress ... to Food for Peace ... the United States has responded to need wherever it arose.

Under the Food for Peace plan alone, we have reached and helped more than a hundred million people a year in more than a hundred countries.

Under this program we have delivered 150 million tons of food ... valued at \$15 billion ... to needy and disaster-struck nations.

When typhoons, floods, pestilence or erupting volcanoes have battered mankind, American food and American aid have arrived within hours.

We have helped needy people in many lands through a variety of means.

We have developed a host of new techniques for using food for economic development ... financing the training of those who want to diversify farming operations ... payment on the job with food to help build schools and hospitals and roads and irrigation and drainage systems.

And I would hope we have done these things with humility ... knowing that our great resources are a gift from Divine Providence ... and knowing that our Judeo-Christian tradition of charity and compassion dictates a grateful sharing of our plenty.

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Our efforts have been truly Herculean.

But they have not been enough.

Great as our resources, impressive as our food production, magnificent as our generosity ... we cannot meet the needs of the hungry nations much longer.

The population explosion of the post-war period is outstripping food production throughout the world ... and even though the ultimate tragedy might be forestalled another decade or two by putting every available acre into production ... in the long run it would be both futile and self-defeating for reasons I hope to make clear to you in a moment.

First let's take a close look at the factors which are precipitating the impending food crisis.

Let's talk about that population explosion we hear so much about these days.

How big is this explosion? How significant is it?

Well, consider for a moment the fact that it took from the beginning of time until the beginning of the 20th century to put the first billion people on this earth.

And then consider the fact that two billion more have been added in this century alone ... that still another billion will be added in the very next 15 years ... and that by the turn of the new century today's population will have more than doubled.

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And now project those statistics along the trajectory indicated by this alarming statistic: Total world-wide food production in 1965 was the same as it was in 1964 ... but in 1965 there were 63 million more mouths to feed ... enough more new people to populate another country the size of France.

How did all this come about? Why so many more people with each passing year?

Up to now the prime reason has been life-preserving and life-prolonging advances in medicine and nutrition.

More and more infants survive the hazardous early years. And more and more adults are living longer and longer.

Result? More young people. More old people. More people.

Death rates have dropped with dramatic speed wherever medical and nutritional benefits have reached. In Ceylon, for instance, the death rate was reduced by 40 percent in a single year through the use of DDT in malaria control.

And millions more are alive today in India because of extensive disease control programs carried out in that vast nation in recent years.

But the alarming aspect of the population explosion is this:

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Eighty percent of that explosion is taking place in those countries least able to support it.

One statistic should suffice: While the highest 10-year population growth rate recorded for the developed world in this century was only 12.8 percent ... the 10-year rate for the developing world is now 22.4 percent ... and still rising.

It does not take much to lower the death rate and increase the life-span in nations where the average life expectancy has been only 32 to 35 years.

But if medicine has added years to the lives of those living in places where famine is imminent, what price progress?

There is irony here. Tragic irony.

For while man has learned how to prolong life ... he is falling behind in his efforts to sustain it.

There have been earlier signs of a developing food-people disparity crisis in the less-developed nations, but it was not until this generation that the alarm bell was sounded and massive food assistance programs had to be launched by the United States and other highly-developed nations.

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And in more recent days, that bell has clamored with ever increasing urgency ... for it is now clearly apparent that by 1984 all of the combined food production, on all of the acres, of all of the agriculturally productive nations will not meet the food requirements of the less-developed countries.

By that year mankind will be short of minimal food supplies ... and the United States, the new "Breadbasket of the World," may be sorely tempted to retreat to Fortress America and turn its back on the world.

But we could not do that. And we know we could not do that.

We are, after all, a nation of character, courage and compassion.

And we are a practical people.

We know that we cannot buy security by retreating from a world exploding all around us from the pressures of famine and frustration, deprivation, and desperation.

For there can be no peace without security, and there can be no security in a world gone mad.

No ... if we want peace in our world ... and in our time ... it must be a peace based on the firm hope of all mankind for someday achieving global plenty.

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And how do we achieve this?

Not by looking to history for the answer ... for the circumstances and the dimensions of the new food and people dilemma are unprecedented.

Historically, imbalances in the food-people ratio were corrected by famine, emigration, development of export trade to finance food imports, opening new lands for cultivation, increasing yields on lands already under cultivation, or ... as has been true in the past decade or so ... dependence upon food donations and concessionary sales from more fortunate nations.

The value Twentieth century man now attaches to human life makes famine intolerable as a measure of population control.

Yet we know that some how, some way, the population explosion must be slowed and controlled if ever we are to have enough food for all.

The President recognized the crucial importance of this in his message to the United Nations in San Francisco last June when he said that \$5 invested in family planning is worth as much as \$100 invested in any other form of economic development.

But the harnessing of population growth will take time, effort and education, as well as money, and the effects will not be noticeable for at least a generation.

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Remember, the women who will be bearing children in the 1980's already have been born.

Nevertheless, population control must be achieved if the war on hunger is to be won. Man is, after all, the only species capable of voluntarily determining the quantity, if not always the quality, of life.

And there are heartening signs that population control measures are being organized and carried out on an ever-more effective scale in a growing number of crowded and hungry nations.

Two other options historically employed in the redress of the people-food disparity are to all intent and purpose unachievable in today's context.

There are not many places remaining in this world which can accommodate emigrants. And there is not much tillable land remaining to be opened.

This would seem to leave the hungry nations only three other options for survival ... increasing export trade to earn money for food imports, increasing yield per acre on lands now under cultivation, or continued dependence upon the resources and the generosity of the developed nations.

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Actually, there is only one practical remaining option-- increasing the yield per acre on the land presently available.

I say this because it is not realistic to expect a less-developed nation to increase its export trade before it is producing enough to trade . . . and, as I have already indicated, the resources of the developed nations which have been offering food assistance to the less-developed will soon run out.

The far-reaching, imaginative, humane and practical Food for Freedom proposal which the President has laid before the Congress as the logical successor to the Food for Peace program which expires this year spells out why there is really only one option left to the developing nations.

It immediately acknowledges that our resources, great as they are, are not inexhaustible.

The accelerating food requirements of the hungry nations can outstrip our productive capacity in less than two decades.

Our studies show that by 1980 the less-developed countries will require 750 million tons of grain each year. This figure represents 300 million tons more than were required in 1960 . . . and is equal to the total grain production of North America and Europe today.

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By that time the expected production from all of the 60 million acres of land we presently have under reserve in this country would not meet that increased demand.

Once we have reached the limit of our productive capacity, the hungry nations will have no further recourse . . . and at that point famine will truly stalk the earth.

What then can we do to avert the catastrophe of a world that has literally run out of food.

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The answer lies in the Food for Freedom proposal . . . a proposal which includes the best features of the Food for Peace program . . . and incorporates new policies and programs to meet the urgent new needs of the years ahead.

The key phrase in the Food for Freedom Act is "self-help", for the plan is designed to stimulate, encourage and assist the developing nations to increase their own agricultural production.

They must increase their own food production, for their other options have run out. Otherwise they face mass starvation.

A vigorous self-help effort, underwritten in the interim by our generous assistance, encouragement and advice . . . and coupled with a conscientious population control program . . . is the sole remaining alternative for these nations.

This is why food assistance under the Food for Freedom proposal is closely linked with self-help efforts on the part of the recipient countries.

Under this program, the United States will provide increased technical and capital assistance along with food to help those countries which demonstrate a determination to undertake effective programs to increase their own ability to provide food for their people.

Our country will help fill the gap in their food and fiber needs during the time they are developing these programs, and until they reach a level of self-reliance where they can either produce or buy what they need.

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This new emphasis on self-help does not ... I repeat ... does not signify a hardening of our food assistance policy.

On the contrary it represents a determined effort on our part to provide the only kind of assistance which can avert world famine.

Some of the hungry nations have grown dependent upon us. In blunt terms, some have succumbed to the delusion that our resources were inexhaustible. They have neglected their own agriculture, counting on the United States to rescue them. Others have undervalued the surplus commodities we have shipped to them simply because they were in temporary oversupply in our country.

In too many instances the dependent nations have postponed the vitalization of indigenous agricultural programs in favor of less important but visually more spectacular development -- buildings, dams, industrial plants and the like.

This is not difficult to understand. An industrial plant is tangible evidence of progress in those lands where progress has lagged for centuries.

Developing agricultural programs is much more difficult, much less visually spectacular ... but of infinitely greater importance.

I am supported in this by most of the political economists throughout the world. They are convinced that a sound farm technology is almost always the essential keystone to bringing developing nations to a position of full economic development.

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When agriculture becomes more progressive and prosperous, overall economic progress follows. And only when farm people in the developing nations begin to buy as well as sell, will these countries really begin to move their economies forward.

There is another important new feature in the Food for Freedom Act ... the elimination of the "surplus" requirement in overseas food assistance programs.

Under the new act, the Secretary of Agriculture will determine the commodities to be provided after taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial ports and adequate carryover.

Our farm programs are flexible enough so that production can be geared to potential use. We will administer these programs so that American agriculture will produce enough to meet domestic needs, commercial exports, food aid for those developing nations showing a determination to help themselves, and reserves adequate enough to meet any emergency while insuring price stability.

The best provisions of Public Law 480 (Food for Peace) are retained in other features of the Food for Freedom Act.

We would continue to emphasize expanding international trade and building markets for American farm products, with special emphasis on the long-term development of markets expanding under the impact of economic growth.

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Financing will continue under the Commodity Credit Corporation.

Private trade channels will be used to the maximum extent.

Usual marketings will continue to be safeguarded.

Donation programs through voluntary agencies will continue.

And there will be increased emphasis on combating malnutrition both in terms of selection of the commodities used in food assistance programs and in the authorization of the CCC to finance the enrichment of foods.

Finally, the encouragement of agricultural development in the hungry nations will offer us the best opportunity for expanding exports of the products of our farms and factories.

We know that for every 10 percent increase in incomes in developing countries, we can expect their imports of our agricultural products ... on commercial terms ... to increase by 16 percent.

We have seen it happen in Greece, in Taiwan, in Spain, in Israel and in other places where economic growth is occurring rapidly.

The Food for Freedom Act constitutes the biggest weapon yet in the arsenal for the war on hunger. Already it is being recognized as such throughout the world.

Mankind can win this war.

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But we cannot minimize the efforts and the sacrifices it will require.

Time is crucial.

Exploding populations in those countries with little new land to bring under cultivation will require the compression of centuries of technological progress into decades, decades into years, to accomplish the yield-per-acre increases which must come about with urgent immediacy.

And there are built-in handicaps ... lack of incentive for the individual farmers, high rates of illiteracy, lack of roads, marketing facilities, cooperatives and sources of credit ... minimal progress in agricultural research and technology.

Generating a yield-per-acre "take-off," as we call it, requires capital to buy yield-raising inputs, fertilizers, pesticides and improved seeds. It also requires a favorable relationship between prices for farm products and the cost of the yield-raising inputs. And the non-agricultural sector of a given nation's economy must be capable of providing agriculture with the physical inputs ... and such services as credit, transportation and marketing.

It will not be easy. But it can be done. It is being done in some of the developing countries in spite of such built-in handicaps.

A recently completed study by the Department of Agriculture revealed that about half of the developing nations studied have had an agricultural growth rate in excess of four percent since 1948.

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This is nearly double the world-wide average annual increase in agricultural production. If the other less developed countries can do as well, the war on hunger will be won.

Victory in this effort will save more lives than have been lost in all the wars of history.

Victory in this effort will give millions of people in the developing nations the opportunity to realize their urgent aspirations for a higher standard of living under new found freedom.

Victory in this effort will assure the highly developed nations' continued growth under conditions that make their freedom ever more secure.

The United States has the resources and the skills to lead the world to victory in the great War on Hunger.

Now all that is needed is determination.

Do we have that?

I am certain that we do.

And after the victory ... what then?

My White House colleague, Dr. Walter Rostow, answered that when he said:

"The end of the human adventure is to see what man can and will do when the pressure of scarcity is substantially lifted from him. We are the trustees not of civilization ... but of the possibilities of civilization."



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U. S. Department of Agriculture  
Office of the Secretary

I want to make an announcement on farm income. This Administration, led by President Johnson, has fought hard for better farm income. That fight is once again succeeding this year.

I am pleased to report that net farm income in 1966 will exceed \$15 billion, according to our latest estimates. This is about a billion dollars higher than 1965.

This estimate is based on the performance of the farm economy in the first quarter just ended and the prospects for farm production and farm prices during the year.

These estimates indicate that 1966 will be the best year in nearly two decades for the American farmer, and that the progress we began in 1960 toward parity of income will continue and accelerate.

Net farm income in 1960 was \$11.7 billion. The estimate for 1966 represents an increase of more than \$3.4 billion.

These income figures mean that:

\* Net income per farm will be at a record level of around \$4,600, or about 55 percent higher than in 1960.

\* Disposable personal income per person on the farm will be about \$1,600, or 44 percent higher than in 1960. Non-farm income per capita, by comparison, has increased about 25 percent over the same period. This means the gap between farm and non-farm income per person is narrowing. The farmer in 1960 earned about 55 percent of what other people did. Today he earns about 65 percent as much. This demonstrates that while the progress we have made is good, the farmer still is seriously underpaid in comparison to what others in our society receive in the non-farm segment of the economy.

\* More farmers are earning parity of income today than ever before. In 1960 it was difficult to find many farmers in this position. In 1966, we estimate that nearly a half million farmers will earn as much as they could expect from the same skill and investment applied in other kinds of work. Another half million are getting close to this level.

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Statement by Secretary of Agriculture Orville L. Freeman at press conference,  
U. S. Department of Agriculture, Washington, D. C., April 15, 1966, 10 a.m. (EST).

Incomes of most farmers will reflect the expected increase in 1966, although weather conditions and other regional or local factors may prevent some farmers from sharing in the improved national farm income.

As a whole, however, the farm economy is healthier today than anyone possibly could have anticipated six years ago. I can recall some of the farm income projections in those days which estimated that net farm income might reach \$14 billion by 1970 -- and even this was considered a highly optimistic calculation.

In the past, when farm income has climbed to the levels we expect this year, it has been followed by bad times with lean years for farmers. I do not expect this to happen in 1967 or beyond, but it could happen if both the consumer and the farmer ignore some of the lessons from past experience.

First, an abundant harvest does more than assure consumers that they will be well-fed. It contributes importantly to a stable national economy.

Second, an abundant harvest is not automatic. It is the product of the skill and ability and hard work of the family farmers of this country. If this skill and ability is not adequately rewarded, the nation cannot long expect the abundant harvests to continue.

Low farm income will not keep the capital and manpower resources in agriculture necessary for efficient production and fair consumer prices. Without efficient production, supply will drop and consumer prices skyrocket. This we must avoid in the national interest.

Third, the six good years in agriculture are the product of many factors. The farm programs voted by the Congress are an important underpinning. The growth in world markets is another. The most important factor, however, is the common sense of the farmer. He has made our voluntary farm programs work, and he has recognized and supported the drive to develop export markets.

If that common sense continues, and the consumer recognizes that abundance deserves an adequate reward, then we will continue to enjoy the abundance of food and fiber which has contributed so much to the growth of the Nation's economy these past years and the adequate size family farm will reach the target of parity of income by 1970.

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U.S. Department of Agriculture  
Office of the Secretary

FOR RELEASE AT 6 P.M. (EST) SATURDAY, APRIL 16, 1966

The greatest single challenge the world faces today is whether the swelling ranks of mankind can produce enough food to sustain life without hunger.

Thus far in this decade of the '60's, man is falling behind in this grim race...and we are now confronted with the awesome question:

Can we, will we, catch up and forge ahead...or will we run out of food and face mass famine?

I believe we can win that race and triumph in the war on hunger. I have faith that we will.

But to win will demand an urgent, world-wide effort...calling for the resources and skills and ingenuity of mankind everywhere.

Latin Americans have a key role to play in this effort, for while you lead the world in population growth...you also have a vast, untapped food resources potential which is the envy of much of the world.

With this potential you could lead the world in agricultural progress.

And so I have come here to talk with you about what you can do to help win the global war on hunger.

The need is so compelling, and the hour so late, that I must be bluntly direct.

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Address prepared for delivery by Secretary of Agriculture Orville L. Freeman before the Pan American Soil Conservation Congress, Sao Paulo, Brazil, at 8 p.m. Sao Paulo time (6 p.m. EST) Saturday, April 16, 1966.)



The Food/Population Problem

The dark shadow of famine gallops across the earth...and time is running out.

The race has rounded the turn into the last lap. And now man must redouble his efforts to grow more...and distribute better what he grows... or he will lose.

But I say to you that man can win that race...if he activates and mobilizes every appropriate tool, technique and resource at his disposal in the few short years between now and the time the finish line comes into view.

The years are short and they are few.

The crisis may be fully upon us within twenty years. For our studies indicate that by that time, unless the hungry nations rapidly accelerate their own production of food, the developed nations of the world will have exhausted their combined capability of feeding the hungry peoples who will populate the developing nations. What will happen then?

Though hunger is not new to the world, the magnitude of its impending dimension is.

Two factors are responsible: First, the number of people in the world is increasing at an accelerating rate. It now seems quite likely that the increase in world population between now and the end of this century -- only 34 years away -- will equal or exceed the number who now



inhabit the world. Secondly, this is occurring at a time when the amount of new land suitable for cultivation is rapidly diminishing. It is becoming increasingly costly to bring new lands into economic production. The better lands are already under cultivation and much good land is being lost to agriculture by urban development and new highway construction.

The world must prepare to feed a billion people more who will be added to the population over the next 15 years. The number itself is awesome. But even more awesome is the fact that fully four-fifths of this total will be added in the food-short, less-developed regions of the world.

It is timely then to ask at this great Conservation Congress, What is the present situation in Latin America? The answer is dramatically clear! The situation in Latin America grows daily more serious!

You have the fastest rate of population growth in the world. Some 15 years ago, in 1950, the populations of North America and South America were about equal at 170 million. The United Nations currently projects a population for North America at about 300 million by the year 2000. The same projection for South America shows the population on this continent reaching almost 600 million! In just 34 years, if the U.N. projections materialize, there will be more than 340 million new mouths to feed on this continent.

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Against this rapid population growth, what has been happening to agricultural production in Latin America in recent years? Our economists and those of the Food and Agriculture Organization of the United Nations tell us that so far we have been running hard -- just to stand in one place. Agricultural production has gone up, but the increase has been wiped out by the new bodies calling for food. In spite of some improvement in some countries, food supplies per capita in Latin America remain near the 1959-61 level -- when 14 countries of the Hemisphere were deficient in caloric intake. Current per capita production is lower than in pre-war years when Latin America was a major food exporter for the world.

Malnutrition and hunger are not limited to India alone, nor to Africa and Asia. They exist in our own Hemisphere as well. They are a grim fact in our shining cities with their sordid slums. As you well know they are a fact of life on farm lands that do not produce enough to sustain the families who work them.

I would be less than truthful, if I did not cite these facts.

I would be less than accurate if I did not recognize that the people and governments represented here have taken some steps to accelerate their agricultural development.

#### The Challenge in Latin America

You have opened up new lands to cultivation and settled thousands of poor farmers on them;

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You have developed institutions for agricultural research and extension and agricultural credits;

You have trained thousands in your vocational agricultural schools and you have sent others abroad for further study. We in the U.S.D.A. have been training almost a thousand of your agriculturalists every year.

In a few countries, fertilizer production is growing. Price incentives have been formulated to encourage farmers to produce more in a limited number of Latin American countries.

But these steps, commendable as far as they go, are not enough. If we do no more and deploy our resources no better, we will fail. History and the hungry generations to come will hold us accountable.

The people and countries you represent here have the resources to make a dramatic and decisive change from the past -- to go forward to make Latin American agricultural development a challenging example for the entire world.

It can be done.

The U.S.D.A. recently completed a study of agriculture in 26 developing countries, including 6 in Latin America. Of the 26, 10 had annual rates of increase in crop output in excess of 4 percent during the years 1948 to 1962-63. Three countries in Latin America achieved

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this sustained high rate of agricultural growth: Mexico, Venezuela and Brazil. While the increase in each Latin American country was attributed largely to more acreage sown to crops, there were increases in yield per acre as well -- particularly in Mexico.

And it is higher yields that we must turn to -- even as we exploit much more fully the possibilities for bringing additional lands under cultivation.

The report cites that the greatest single factor associated with high and sustained growth rates in agricultural production is a national will to take the necessary actions.

The world now has the technology and the resources to win the war against hunger. We can if we will. Ours is the choice and the challenge.

Latin America is rich in resources; it can sustain a growing population. Even more, the peoples and the nations represented here can make a contribution to hungry regions of the world that are not blessed with comparable resources.

Further, it has been demonstrated again and again that by accelerating agricultural growth, we stimulate and re-enforce development in other sectors of the society. As rural people produce more and market more they sustain indigenous related industries and contribute to overall economic growth as consumers as well as producers. And, might I add, the path to future commercial markets for a growing agricultural

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production is to be found in the developing countries of the world with their growing populations. They will buy if they can pay. As demonstrated in Japan, Taiwan, Spain and Greece, they are able to pay when agricultural development triggers overall economic development and with it increasing per capita income and new demands for food.

#### The Role of Resource Conservation

Let us never forget or minimize the importance of soil and water conservation as a basic cornerstone of agricultural development and sustained, permanent agricultural growth. Effective conservation practices help make present agricultural lands more productive; they open the way to economic exploitation of new lands.

Soil conservation is not erosion control alone. It is a sophisticated combination of technologies fitted to the resources and the people involved.

The talents of soil scientists, engineers, geologists, hydrologists, range and woodland conservationists, agronomists, biologists, and economists are all needed to diagnose land problems and prescribe successful treatment and use.

Land resources -- soil, water, plants and animals -- cannot be effectively used or managed separately. They are completely interdependent. They must be treated as a whole.

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In soil conservation work in the United States, people are recognized as the critical factor in each local resource situation. They are the reason for conservation itself. Conservation is carried out by the people who own and work the land as well as by government agencies.

In our country, soil and water conservation districts have been established under State laws to develop conservation programs and enter into working agreements with the U.S. Department of Agriculture and other public and private agencies. These districts now cover 96 percent of the farms and ranches in the United States.

The Department of Agriculture provides technical assistance so that sound soil and water conservation practices will be followed by rural landowners and operators who cooperate through their district organizations.

The Soil Conservation Service, as the USDA's technical agency for soil and water conservation, has a staff of conservation technicians and other trained specialists to help landowners carry out sensible conservation practices. Only when we do this can we in the United States meet the needs of our people and fill our commitments abroad.

Through its more than 100 years of service, the U.S. Department of Agriculture has acquired much knowledge and experience that could be of vital importance to agricultural progress in developing countries. For more than 20 years -- since the Point IV Program in the 1940's -- we have shared our agricultural technology with other nations. We have made mistakes in our own country. We can help other nations avoid making the same errors.

What More Needs to be Done

But the challenge of resource conservation is only one of the necessities if adequate agricultural growth in this hemisphere is to be accomplished.

Agricultural development in Latin America, as in other parts of the world, is beset by many basic problems. I cannot tonight catalog all the problems nor attempt to prescribe in detail what needs to be done about them. Time permits only that I cite those which I believe merit highest priority:

First, strengthen and upgrade the institutions that provide agricultural services.

These institutions include the Ministries of Agriculture as the central, coordinating agencies.

Included, too, are the agencies concerned with conservation, the research and experiment stations, extension and vocational agricultural schools, the agricultural credit and cooperative organizations.

These institutions need to be grouped together and given much more prestige, recognition and resources than hitherto has been the case. More resources must be budgeted for the operation of these institutions.

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Personnel who have the necessary technical and administrative skills to operate them effectively must be selected, trained and retained.

Marketing facilities and systems must be substantially improved to hold down costs and to reduce waste in the movement of foods from farms to consumers. Current practices in most Latin American countries, in fact in most countries around the world, are often shockingly wasteful and inefficient.

Second, improve public policies that affect agricultural production.

Public policies need to be formulated and carried out which will provide incentives to agricultural producers.

Such policies must provide reasonable and stable income to the farmer. Prices must encourage the use of fertilizers and other inputs to achieve higher yields. Otherwise, the farmer has no incentive to apply modern farming techniques. Incentive is equally if not more important than education.

Needed, too, are tax policies to stimulate a fuller and more intensive use of land resources rather than export levees which inhibit increased production.

Policies are needed, too, which will encourage more public and private investment in agriculture and its related



industries. This again dictates a return to agricultural investors that encourages, rather than discourages more production.

In short, public policies must be linked to the new, dynamic agricultural technology. Otherwise it will go largely unused. The farmer, like the business man, will see no reason to buy inputs and produce more unless he can make a profit.

Third, integrate rural populations into national market economies:

Steps need to be taken to increase the incomes of small farmers and farm workers in most Latin American countries. Higher productivity on the farms, combined with incentive prices, will accomplish this. But in Latin America, as in the United States, opportunities for employment in rural areas for those who are unemployed and underemployed in farming activities are needed.

Even in our developed industrial society in the United States, we have learned that the cities cannot productively employ unskilled millions who migrate from the rural regions because life there offers little opportunity. This migration is today a great unsolved problem in the United States.

Rural populations must have opportunities for education and for health facilities which will increase their ability to work productively in a technological society. They also demand increasingly, and rightfully, comparable recreational, social, and cultural opportunities. As rural people gain the means to participate in the market economies of their countries, they will then be able to better sustain indigenous manufacturing, recreation, and service industries, all of which contribute to overall economic growth.

As I have already related by reference to the USDA study, many developing countries already are showing striking progress along these lines. Indeed, some countries are actually increasing their agricultural production at higher rates than those ever achieved in the highly developed nations, including the United States.

Such progress has not happened simply as a consequence of normal economic and social processes. Rather, it has been spurred by aggressive public and private actions, generally national in scope, directed specifically to improving agricultural conditions. I commend this study to every country in Latin America and, for that matter, around the world. It shows what can be done when a nation resolves to expedite its agricultural development and then follows through and does it.

### Assistance by the United States

The Department of Agriculture, in cooperation with the Agency for International Development, has been providing technical and other assistance to agricultural development for a long time. Agricultural scientists and technicians have been engaged in this work since the Point IV Program was first enunciated by President Truman in 1948.

Recently we have taken steps to make this assistance more effective. Recently we have established within the U.S.D.A., the International Agricultural Development Service. During fiscal year 1965, in close cooperation with the Agency for International Development, we sent a total of 198 scientists and technicians to 26 countries -- in Latin America, Africa, and Asia. In addition, coordinated training in the United States was provided for 4,879 trainees from 118 countries. During the past year we welcomed almost a thousand agriculturalists from the countries of Latin America who sought further technical training. These people came to the U.S. to learn from our experiment stations, our land-grant universities and our family farm enterprises.

The U.S.D.A.'s biggest program now is right here in Brazil, where 20 technicians, working closely with AID, are assisting in work on price stabilization, cooperatives, marketing economics and facilities, market news, agricultural economics, credit and agronomy.

In cooperation with AID, the Department of Agriculture is carrying on a number of other country programs in Latin America:

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In Nicaragua, a range management specialist is now introducing new varieties of improved grasses and legumes that will stand up better under the drought conditions that prevail.

In El Salvador, USDA specialists and technicians are working on agricultural planning, land tenure, credit, farm management, artificial insemination, irrigation, drainage, bean diseases, livestock diseases, and auditing systems for agricultural credit agencies.

In Ecuador, a USDA team has been helping in agricultural marketing, economics and the organization of agricultural credit.

#### Food for Freedom Legislation

Passage of the Food for Freedom legislation will mean added emphasis on this type of technical help. President Johnson said when he recommended this new approach to agricultural assistance: "The Departments of State and Agriculture and the Agency for International Development will work together even more closely than they have in the past in the planning and implementing of coordinated programs.

"In the past few years, AID has called upon the U.S. Department of Agriculture to assume increasing responsibilities through its International Agricultural Development Service. That policy will become even more important as we increase our emphasis on assisting developing nations to help themselves."

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When President Johnson sent this program to the Congress, he continued a proud tradition. From the time Franklin Roosevelt spelled out the principles of the Four Freedoms -- to the Marshall Plan -- to Point Four -- to Food for Peace -- to the Alliance for Progress -- and now the Food for Freedom program, the United States has responded to need wherever it arose.

Under the Food for Peace program alone, we have delivered 150 million tons of food ... valued at \$15 billion .. to needy and disaster-struck nations everywhere around the world. Through this program we have reached out and helped more than a hundred million people a year in more than a hundred countries.

In the process, we have developed many new techniques for using food: economic development -- financing the training of those who want to diversify their farming operations or open new lands -- payment on the job with food to build schools and hospitals and roads and irrigation and drainage systems.

With the Food for Freedom program we will continue and strengthen our programs of assistance. At the same time, we will continue the safeguards that have protected the channels of commercial trade from impairment by concessional food sales and distribution. The so-called rule of additionality to prevent disruption of commercial trade, as developed under our Food for Peace program, will continue under the Food for Freedom program.

But great as our resources, impressive as our food production, deep as our compassion -- we cannot meet the increasing needs of the hungry nations indefinitely. There is a limit to our productive capacity. Unless the developing countries increase their current rate of agricultural development, the capacity of the U.S. and the rest of the highly developed countries to produce food enough to fill the gap will run out some time in the next two decades. Then we and the world's hungry will confront one another in an impossible, intolerable situation. There simply would not be enough food to meet the demand of the people in the world. Starvation, pestilence, insecurity, disruption and chaos would run amock. This must not, cannot, need not happen!

Hence, the wisdom of the Food for Freedom Legislation President Johnson submitted to Congress. The key feature of the Food for Freedom Act is "self help," for the plan is designed to stimulate, encourage and assist the developing countries to increase their own agricultural production. There is no other answer!

Under this program, the United States will provide increasing technical and capital assistance to help those countries which demonstrate a determination to undertake effective programs to increase their own ability to provide food for their people, and will offer food aid as needed to countries determined to help themselves.

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Prospects for the future need not be grim. There is a general, worldwide awakening to, and an awareness of, the importance of agricultural development. This relatively new state of affairs is the product of many forces, including the Food for Peace Program, the work of the Agency for International Development, the Food and Agriculture Organization of the United Nations and inspired national and local leadership in many places in Latin America and around the world. This relatively recent awareness is timely. For far too long agriculture has been accorded too little priority in development plans.

I would make it crystal clear that when I comment on what goes on around the world in agriculture that I am fully and sensitively aware that the United States, too, is learning. We are trying to face up to our deficiencies, to make a better life for all of our citizens and to make a more meaningful and sensible contribution to the development of less fortunate countries around the world. We are more clearly recognizing the needs of our own rural people. We are increasingly aware that we have made mistakes in our own development.

We still suffer from pollution of our streams and air.

Soil erosion has clogged our waterways, stripped good land of its fertility, and created dust bowls.

We have been working to overcome these.

In more recent decades, we have come to appreciate the necessity of considering the quality of the whole environment in planning the development and use of our natural resources.

We recognize the importance of continually adjusting, redirecting, developing, and improving our agricultural and agriculture-related institutions and programs to meet the changing needs of changing times. Fewer and larger family farms displace more and more agriculture laborers and small farm owners. The U.S. like Latin America seeks to stem the exodus of these displaced people to the great metropolitan centers where few of them find jobs or a satisfying life. Instead we strive -- as do you -- to build an economic base in the countryside so they will find jobs and we can live a satisfying and rewarding life. So far, we, like you, are groping for the formula to accomplish this. Here, as in other areas, there is much to learn from each other.

#### Conclusion

Today, the world faces perhaps the most crucial challenge in history. The gap between food needs and food production in the less-developed world is widening steadily. It will take concentrated and concerted effort on the part of all of us -- all nations -- to close this gap.

Latin America, as the world leader in population growth, must become a world leader in the rate of agricultural progress, if the war on hunger is to be won. You have the resources to do this -- not only to satisfy your own needs but to share constructively in the worldwide effort to avert hunger and want.

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The task ahead is clear -- for all of us. Not only are we neighbors, we are fellow human beings seeking the good life that is possible for all mankind, a good life that is impossible unless there is enough to eat!

We have joined together in an Alliance for Progress. Our countries have met recently and taken a measure of what has been accomplished in five years of mutual assistance in this hemisphere.

Country by country reports give us encouragement that, cooperatively, much can be achieved. In country after country there have been solid gains in settlement of new lands, in production increases on settled land, and in average incomes. While per capita food production has lagged, we do know how to correct this.

I propose here and now that we take a realistic inventory of where we are and what we must do. It is essential that we look beyond our immediate hemisphere needs. I propose that we give a new meaning, a new dimension to our Alliance. Let it signify our resolve to work together to assure for ourselves and our children -- not only in this hemisphere -- but in other parts of the world, too, a new age of freedom -- Freedom from hunger and want. Only when we truly have that Freedom will we grow in self respect and be able to achieve mankind's self-realization.

This is the American dream -- dreamed alike in both South and North America. It is the dream of all men of good will everywhere around the world.

Let us work together, then, to make this dream a reality.

Let us put our minds, and our backs, to the task.

Let us show the world the Americans can lead the way.

If we do this, then I predict that ten years from now, when this great Congress assembles again, the threat of hunger and malnutrition will have faded...and a time of peace and plenty will have begun.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, May 3, 1966

Transcript of Interview Between Secretary Freeman and Ray Scherer on TODAY:

Following is a transcript of an interview between Secretary of Agriculture Orville L. Freeman and Ray Scherer, NBC news, on NBC's "TODAY" show, May 3, 1966, regarding the farm income--farm price situation:

Mr. Secretary, every time I pick up the paper you seem to be in greater trouble. Now here is the headline of today's Washington Post ; Ackley calls for restraint on profits. President Johnson's economic advisers bluntly warned businessmen yesterday that they must exercise restraint on rising prices and profits if they expect labor to hold wage demands in check. Now the farmer is a businessman. Isn't the President's economic adviser saying that the farm prices must go down or at least stay down?

Secretary Freeman: Ray, the farmer, like the businessman and every patriotic American, is trying to help the President in his courageous struggle to combat inflation and to continue the prosperity in this country. What we have got to take a look at are the cold, hard facts. The facts of the matter are that farm prices are not inflationary. The fact of the matter is that farm prices today are 14 percent below what they were in 1952. Let me say that again: Farm prices are 14 percent below what they were in 1952.

Now wages, every working man knows, are up. Profits are up. Cost of living is up. But farm prices are 14 percent below what they were in 1952. Many, many people have put the finger, so to speak, on the farmer in this struggle, and the facts don't bear that out. Some of the big city newspapers that are anti-farm in their orientation have been **belaboring** the farmer. And some of the big city politicians have, too. However, it is true that farm prices have come up somewhat since 1960. Farm income has come up even more because of some of our new programs.

(more)

Progress is being made, but farm prices are not inflationary.

Q.

Mr. Secretary, isn't that exactly the trouble? The farmer seems to think that you are taking pleasure in the fact that farm prices are down. Here you are almost speaking with pride about the fact that they are down 14 percent since 1952. Didn't you, at a news conference on March 31st, express pleasure that farm prices have moderated.

Secretary Freeman:

No, Ray, I certainly did not.

Q.

Well, what did you say?

Secretary Freeman:

What I said was this. I had a news conference and I was making the projection and an explanation of what the food and farm price situation is. In the course of this, I analyzed some farm prices for a couple of commodities. In these commodities, farm prices had jumped, and had jumped to a high level. And they were beginning to moderate. They had jumped up because of extremes in the price cycle and because of weather. They were now moderating and I expressed some pleasure at that fact because extreme, high prices are damaging to the farmer and to the consumer alike. They result in more production--a lot more production--and a price break. That hurts the farmer, and the high price and the swing hurts the consumer. Basically, the interest of the farmer and the consumer are alike in this. What we need to have and what we are struggling to accomplish--and I might say with some success are strong, fair prices--to avoid these cyclical ups-and-downs which are damaging to the producer, to the farmer, and to the consumer alike.

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(more)

I say that we are making some progress because farm income is up.

Farm prices have strengthened moderately, although they are still far below what they ought to be in relation to the rest of our economy. And of course our food costs in terms of what an hour of work will buy are sharply down. As a matter of fact, even since 1960, one hour of work will buy another quart of milk, an hour of work will buy another loaf and a half of bread, an hour of work will even buy more meat, despite the fact that meat prices have reflected some increase.

Q.

Mr. Secretary, you are going to have a hard time convincing the housewife that food prices are down. Isn't the farmer caught squarely in the middle here? Isn't the Administration, in effect, trying to put a lid on farm prices?

Secretary Freeman:

No, the Administration, quite to the contrary, has been trying to firm and to strengthen farm prices. Now, I want to make one distinction here, Ray, that is sometimes overlooked on it. Farm prices and food prices are not the same thing. The farmer gets only 39 cents<sup>\*</sup> (in 1965) out of that food dollar. The balance goes in between (for) all it takes to get that produce, whatever it may be, from the farmer to the table. And here we have had some increases. However, I want to repeat, and I realize that the housewife--this goes for Mrs. Freeman as well--comes home with a pencil a little dulled and a quizzical look in her eyes. The truth of the matter is, the real measure of this is what does an hour of work buy. An hour of work today will buy twice as much food as it would 30 years ago.

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\*Note: Secretary Freeman inadvertently used figure of 37 on telecast; 39 percent is correct figure.

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as I said a few moments ago, it will buy more food than it would just in 1960.

Q. The Pentagon has announced it is not going to buy any more pork, it's not going to buy any more butter. How do you explain that to your farmer friend?

Secretary Freeman: Well, I explain that the Pentagon is reacting like the prudent housewife. When the price of something goes up, then you shop around and tend to buy things that don't cost quite as much. However, when the price of things go down, you buy more. Back in 1964, everyone will remember that cattle dropped to an all-time low, and there was real disaster to the farmers of this country. At that time, the Department of Agriculture -- for needy people -- and the Pentagon, bought lots and lots of beef. We spent a couple of hundred million dollars doing it. But then, when the price strengthened, we no longer bought so much. Pork went up to 30 cents -- that's pretty high -- in the market. The result was, buying moderated. That price now has dropped, and yesterday pork was about \$24-25 (per cwt.) That means the price is coming down, and we're watching this very closely and studying it, and I expect, as matters now stand, if my estimates are borne out by careful study, I would recommend to the Pentagon that they go back to buying pork. And I think they will. In other words, the government is trying to contribute to that steady but moderate price that is important to the entire economy, and to the farmer and consumer alike -- to buy when he needs to strengthen that market price; when that price goes up, why then to soften that buy. And this we do in other things, fruits and vegetables, and I think it is a sound policy in the national interest.

Q. So you say this works both ways?

Secretary Freeman: It does work both ways.

Q. Mr. Secretary, I wonder if I might project this situation into the fall Congressional campaign. Now, there are a lot of young Democrats from the farm states who came in by very narrow margins, and these freshmen Democrats are in danger of not coming back in their sophomore year unless you show them some sympathy, it seems to me. What can you do to help them out?

(more)



Secretary Freeman: Well, I'm happy to show them some sympathy, but I don't think they need it. They are a bright, alert, fine young group of Congressmen; they've made a fine record. There is concern; there has been some misunderstanding, as you just noted in asking me about this remark that is attributed to the Secretary of Agriculture. Ray, I couldn't say that I hope farm prices go down. I'd swallow my tongue. I couldn't get it out. I think the President would fire me. He's been fighting for parity of income ever since he's been in public life. The main thing is -- and there will be a lot of demagoguery; this is an election year -- the main thing is that farm income is up. Farm income is up almost \$ 4 billion over what it was in 1960. Now that's not adequate. On a per capita base, farmers still get only 65 percent of what the non-farm segment of our economy gets, but that's more than the 55 percent he got back in 1960. And farm income per farm -- these are average figures now and don't fit every farm -- but farm income per farm is up about 55 percent. Now, this means real progress, and farmers are making progress -- but they've got to make more. That record speaks for itself. Surpluses have been eliminated. We've increased our agricultural exports for dollars to levels that would have been impossible just a few years ago. We continue to increase our efficiency, our productivity. We feed a great part of the world. The American family farmer is the wonder of the world. This record speaks for itself, and I think it will in November, and I think it will help these Congressmen.

Q. Mr. Secretary, in the final minute we have, I wonder if you can tell us where food prices are heading. They are a major factor in the price index, and that, in turn, is a major factor in whether or not the President will have to ask for a tax increase.

Secretary Freeman: Well, there were -- as you point out earlier, and I referred to -- a couple of items that jumped up to extremes earlier this year.

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Those items have moderated; food generally has moderated; production is increasing. Farm income this year will continue strong. Food prices will be about the same as they were last year. The farmer and food will continue to contribute not to an increased cost of living, but to a moderation of the cost of living. If the price of food had gone up as much as the price of other things, why the consumer would be spending billions and billions of dollars more than he is today.

Thank you Mr. Secretary. If we have been a little hard on you this morning, we do sympathize with you as the man in the middle. It was a privilege to have you here.

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(more)

Secretary Freeman: Well, I'm happy to show them some sympathy, but I don't think they need it. They are a bright, alert, fine young group of Congressmen; they've made a fine record. There is concern; there has been some misunderstanding, as you just noted in asking me about this remark that is attributed to the Secretary of Agriculture. Ray, I couldn't say that I hope farm prices go down. I'd swallow my tongue. I couldn't get it out. I think the President would fire me. He's been fighting for parity of income ever since he's been in public life. The main thing is -- and there will be a lot of demagoguery; this is an election year -- the main thing is that farm income is up. Farm income is up almost \$ 4 billion over what it was in 1960. Now that's not adequate. On a per capita base, farmers still get only 65 percent of what the non-farm segment of our economy gets, but that's more than the 55 percent he got back in 1960. And farm income per farm -- these are average figures now and don't fit every farm -- but farm income per farm is up about 55 percent. Now, this means real progress, and farmers are making progress -- but they've got to make more. That record speaks for itself. Surpluses have been eliminated. We've increased our agricultural exports for dollars to levels that would have been impossible just a few years ago. We continue to increase our efficiency, our productivity. We feed a great part of the world. The American family farmer is the wonder of the world. This record speaks for itself, and I think it will in November, and I think it will help these Congressmen.

Q. Mr. Secretary, in the final minute we have, I wonder if you can tell us where food prices are heading. They are a major factor in the price index, and that, in turn, is a major factor in whether or not the President will have to ask for a tax increase.

Secretary Freeman: Well, there were -- as you point out earlier, and I referred to -- a couple of items that jumped up to extremes earlier this year.

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Those items have moderated; food generally has moderated; production is increasing. Farm income this year will continue strong. Food prices will be about the same as they were last year. The farmer and food will continue to contribute not to an increased cost of living, but to a moderation of the cost of living. If the price of food had gone up as much as the price of other things, why the consumer would be spending billions and billions of dollars more than he is today.

Thank you Mr. Secretary. If we have been a little hard on you this morning, we do sympathize with you as the man in the middle. It was a privilege to have you here.

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It is indeed a pleasure to meet again with members of the National Forest Products Association.

Much progress has been made since we met a year ago ... progress on our joint undertakings, progress by your industry, progress by the Forest Service, and progress by the general economy.

First, let me quickly review the joint projects we have had underway since our first meeting in 1962.

#### National Forest Timber Cut

The National Forest timber cut keeps going up. We expect it will be 12 billion board feet for the fiscal year ending June 30, 1966, an increase of about three-quarters of a billion board feet over the preceding year.

In 1962 the cut was 9 billion board feet. This increase of 33 percent in the cut during the four-year interval is a quick and simple index of our joint progress ... and it is an accomplishment in which both your industry and the Department of Agriculture can take pride.

#### Timber Appraisal

Virtually all of our work on timber appraisal the past year has been in connection with a review of Federal timber pricing for the

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Address by Secretary of Agriculture Orville L. Freeman at the annual meeting of the National Forest Products Association at noon Wednesday, May 4, 1966, at the Shoreham Hotel in Washington, D.C.

Budget Bureau. The work has been done jointly with the Bureau of Land Management of the Department of the Interior.

It has been necessary to defer the start of the profit study I discussed with you last year until this project for the Budget Bureau is completed.

The pricing study is scheduled for completion at the end of this month, and we plan to start the profit study shortly thereafter. As a result of closer coordination with the Bureau of Land Management, we are now planning to make this study on an inter-agency basis.

#### Appeals

The Board of Forest Appeals is now organized and doing business, with John R. Harris of the General Counsel's office serving as chairman of the board. The first meeting of the board was held last week, and on May 2 we issued a press release which identified the five regular and the three alternate members. The proposed rules of procedure will be published in the Federal Register this month.

#### Timber Sale Contract

The revised timber sale contract has been in use for almost a year, and thus far we have been surprised by the lack of problems its use has generated. I am told that excellent work has been done by local industry groups with the Regional Offices of the Forest Service in developing C Division clauses to fit local conditions.

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We must recognize that this contract project is not a one-shot proposition and must be kept alive by constant scrutiny and exchange of views by the Forest Service and industry people.

#### Access and Easements

We have reached agreement with you on road regulations and easement forms for use in connection with the Act of October 13, 1964. I understand that just recently there has been a successful joint effort on procedures and content of cooperative agreements for development and use of roads to serve intermingled private and public lands. I want to thank the Industry people who participated in this cooperative effort.

#### Industry Progress

The progress of your Industry can best be measured by your production records and the prices for your products.

You have developed new products and new marketing techniques, and unquestionably you are in a stronger position today than you were a year ago. The nation needs a healthy forest products industry, and I congratulate you on your progress.

#### Forest Service Progress

The past year also has been a year of progress for the Forest Service. In addition to a new record cut, an all-time low of 76,431

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acres were burned within National Forest protection areas. The average annual burn for the preceding five years was 2.7 times greater.

Tree planting was also at a record level, with 232,742 acres of National Forest land planted or seeded. This exceeded by about 10,000 acres the longstanding record established by the Civilian Conservation Corps in 1936.

#### The General Economy

The general economy, as you must know, is robustly healthy.

Americans are enjoying an unprecedented stretch of prosperity ... a prosperity which has now extended 62 consecutive months ... and which shows no signs of falling off.

Over the past five years seven million new jobs have been created. The percentage of unemployed in February and March of this year stood at 3 and 3/4 percent, the lowest in 12 years. Five years ago this figure was above 7 percent.

During that same five year period, the purchasing power of the average farmer's income shot up by a third corporate profits after taxes soared 88 percent; weekly earnings in manufacturing climbed 25 percent; and our total output of goods and services jumped an amazing 31 percent.

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Did these truly impressive achievements just 'happen'?

... Just come about by themselves?

We in this Administration don't think so. We like to think they came about, in part at least, because of vigorous, imaginative, and responsible application of Governmental fiscal and monetary policies, combined with the best working relationship between government, business and labor in the history of the U. S.

PPBS

Let me turn now to the inquiries on broad public policy which have been made by your executive vice president, my good friend Mort Doyle.

Your leadership has inquired about the effect of the Programming-Planning-Budgeting System will have on Federal timber management and on other Department of Agriculture and Forest Service programs affecting the forest industry.

This new approach to Federal budgeting is more than just a 'different way to keep records and charges. It is actually an important facet of a new program of inquiry and challenge which is being applied to all Federal activities by this Administration.

It reflects President Johnson's businesslike approach to government. He is determined to have every on-going program carefully analyzed to make certain it is necessary.

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The basic procedure of the Programming-Planning-Budgeting System is simple. A broad management objective is identified. Then an analysis is made to establish the inputs which go into the project. We also make an estimate of the end product outputs and then compare costs with returns.

A second phase of the procedure is to consider alternative courses of action. Thus we consider how much of a change in output will be obtained from an increase or decrease in input.

This provides a systematic basis to judge whether more or less resources and effort are justified for a particular project. We also consider the inputs and outputs involved in accomplishing the same objective in a different way.

This is the basic tool in the Programming-Planning-Budgeting System. If an analysis indicates that a project is too costly, the System provides for special studies to prove or disprove this indication or to develop alternative approaches.

The procedure is simple, but it is also subtle. The P-P-B System forces everyone concerned to think and to justify the course of action advocated. This course must not only have an acceptable cost-benefit relationship, it must be better than any available alternative course of action.

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Your interest in the possible effects of P-P-B-S on Federal timber management activities understandably centers on National Forest timber sales.

The National Forests are now supplying nearly 30 percent of the total roundwood raw material for the forest products industries of the Nation. A steady flow of this raw material is vital to maintaining an orderly market and price structure for lumber, plywood, paper, and other forest products. This steady flow is also vital to maintenance of employment and support to forest-dependent communities. Keeping timber sales going is a basic management objective. The P-P-B System will, I think, help us to do it even better.

The various programs of the Department to increase productivity on State and private lands constitute a second area of Federal timber management.

A study of input-output relationships at various levels and in different parts of the country should show how to get more effective results per dollar of input.

Forest management research activities, protection policies for both fire and forest pests, and reforestation and stand improvement programs will also be reoriented on the basis of P-P-B-S reviews.

The new System will be applied to all activities of this Department and, as a matter of fact, to all activities of the Federal Government.

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In summary, the forest products industries have nothing to fear from the Programming-Planning-Budgeting System. It is designed to insure that first attention is given to first priorities in the Forest Service. As we learn to do that with more preciseness and efficiency everyone will benefit.

#### Timber Withdrawals

There is nothing new about the fact that timber cutting is restricted or prohibited on certain areas of the National Forest System. What is new, and of real significance to both Industry and the Forest Service, is growing public sentiment in this direction.

The 1964 Wilderness legislation reflects this growing public interest. The nationwide campaign for a more beautiful America is a potent force. The surge in outdoor recreation continues ever upward. Wild Rivers proposals, National Recreation Areas, landscape management zones--all of these and more have a direct bearing on the availability of National Forest timber for industrial use.

Our specific challenge--and we both are full partners in facing it--is to help guide the allocation of land and resources in the direction of full and balanced use. It will tax our ingenuity to the utmost, I'm sure, but it's a job that can and must be done. For example, much more effort and imagination needs to be demonstrated in safeguarding esthetic values as we go about our business. Much more skill is needed in developing public appreciation of a forest at work--and why it must produce crops of timber.

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Administrative decisions by the Forest Service can restrict timber cutting. One example is developed recreation sites. On these sites, cutting is done only for clearing, site improvement, or safety.

Although there are many such decisions, these should not create a significant impact. The amount of land involved in such occupancy areas is less than six-tenths of one percent of the total National Forest acreage.

On the whole, I do not think that "withdrawals" for specific purposes will result in a serious impact on the availability of National Forest timber. It is the more general case of public attitudes toward forest management that requires our immediate attention.

Our concern should be that the nation adopts rational policies governing the use of public resources. How well logging can be fitted into such a program, in balance with other uses, will largely determine the availability of timber from the National Forests. We need your help in working toward that end.

#### Economic Operability

Some misunderstanding has recently developed because of the difference between timber which is unavailable for cutting because of withdrawal for other uses and timber which is currently nonoperable because of adverse cost-return relationships.

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The Forest Service uses the term "operable timber" to mean timber which appraises to at least minimum stumpage rates after allowance for a normal margin for profit and risk. Nonoperable timber is not withdrawn from commercial timber management. Allowable cuts are determined on the basis that currently nonoperable timber will become operable in time when needed for harvesting to meet allowable cut schedules. In the National Forests where there is a demand for the full allowable cut, most of the timber is currently operable and there is no problem.

There are a few National Forests in the Rocky Mountain States where much of the timber is nonoperable. Here the Forest Service is now making surveys to get the facts on operability. These operability studies are not for the purpose of withdrawing timber from commercial use.

Operability studies give a quantitative rating of the economic difficulties and the problems to profitable commercial utilization of National Forest timber. They will flag the areas where particular emphasis should be given to construction of publicly-financed timber access roads.

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Nonoperable timber is included in the inventory which, with growth potentials on the lands available for cutting, is used to determine allowable cuts. Where most timber in a working circle is nonoperable, timber sale offerings must necessarily include some of it. It is available for sale if operators want to purchase it.

#### Prices and Inflation

So far I have been talking about production, and production, of course, is of vital importance in our current effort to maintain price stability.

Earlier I remarked that our general economy is healthy. It is robustly healthy. But with high employment and widespread prosperity come inflationary pressures.

Our economy is now operating near the limits of its productive capacity. When that limit is approached, inflation can result if we try to buy more goods and services than the economy can produce.

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The President has called upon all of us to join with him to fight the threat of inflation.

The Administration has taken action on a number of fronts.

A number of industries have been persuaded to avoid or modify unnecessary price increases.

Business and industry have been asked to reconsider plans for plant and equipment investment ... and to postpone what can be postponed. Local and state governments have been asked to do the same.

Monetary and fiscal policies have been adjusted to discourage unnecessary borrowing and credit buying.

Higher payroll taxes, graduated withholding of personal income taxes, accelerated corporate tax payments and the postponement of the scheduled reduction of excise taxes on phones and cars will combine to drain off some excess purchasing power.

Heeding the need for increased defense spending, the Federal government held the expansion of civilian spending the coming fiscal year to only \$0.6 billion.

The civil service pay bills of last year and this year provide pay raises for Government employees within the guidelines the President has recommended for private workers.

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And the Administration has repeatedly asked private workers to exercise moderation in wage demands. The cooperation for the most part has been excellent.

But labor is understandably concerned about consumer prices, and business and industry profits, and its continued cooperation will depend in large part on just what happens to those prices and profits.

The higher food prices of earlier this year caused some of this concern, and I would like to talk about that for a moment or two.

Farm prices for a few products rose to unrealistic levels early this year because of exaggerated cyclical reductions in production and because of adverse growing conditions, primarily weather.

The conditions which resulted in a few "unrealistic" prices no longer exist. Retail food prices should begin to decline if food processors react responsibly to the stabilizing of farm prices.

Unfortunately, that temporary abnormality of certain farm prices gave some people a distorted picture of farmers, farm programs and farm income, and now certain of the overzealous, especially certain big city newspapers and political office seekers, are making the American farmer the whipping boy in the struggle against inflation.

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This is wrong. This is unjust. I say this because the record will show that the American farmer actually subsidizes the cost of living ... rather than inflates it.

I say this because Americans still spend a smaller percentage of their income for food than any other people on earth.

I say this because an hour's pay today buys more food than it did in 1960 ... and double what it bought 30 years ago.

I say this because while consumer food prices are up 12 percent over what they were in 1952, farm prices in 1965 were 14 percent below what they were 13 years ago. Farm prices that lag so far behind other prices in our economy can hardly be called inflationary.

Nevertheless, although farm prices lag, the farm economy today, because of new programs developed the last 5 years, is healthier than anyone could have anticipated six years ago. Farm income this year will climb to the highest level in history, except for the postwar years of 1947 and 1948.

Net realized income per farm will reach \$4,600 this year, an increase of about 55 percent in the past six years. Surpluses have been eliminated and we spend over 200 million dollars less for storage than we did 5 years ago.

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The Department of Agriculture is pleased, and takes some degree of pride, in this truly remarkable record of progress. But it is far from satisfied.

For though the income gap between farm and nonfarm people is narrowing, people on the farm this year will still earn only 65 percent of what nonfarm people earn.

The farmer has not yet attained that parity of income, that full, fair share of our national prosperity, which is rightfully his. I am pledged and determined to do what I can to see that he gets that full, fair share as quickly as possible.

I have digressed, but I'm sure you understand why.

The topic of the moment is the threat of inflation. And inflation is a threat. Restraint is required of every sector of our economy.

It is the judgment of the Administration that present fiscal and monetary policies are adequate without tightening controls. And it is the judgment of the Administration that for the moment at least there is no need for an anti-inflationary tax increase.

This is, after all, basically a civilian, and not a war-inflated, prosperity. We have the fiscal and the monetary policies to deal with inflationary pressures. But coupled with those policies we need restraint and responsibility on the part of you, on the part of me, on the part of everyone.

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Lumber Prices

Lumber and plywood are basic commodities for virtually all forms of building and construction. As such, their price movements affect the economy critically.

Your industry is highly competitive. In fact, there are no recognized price leaders. This makes it all the more urgent to cope with the factors which have caused the recent sudden bulge in lumber and plywood prices. I am aware that the lumber industry has not enjoyed as favorable a profit position as many other segments of our economy. Nonetheless, most of you will agree I think, that recently prices have moved up so rapidly that there is serious doubt whether the present prices are good for the industry and the nation.

It is to your interest and the Nation's interest to hold price increases within the President's guidelines.

The Administration will continue to do its part by maximizing the raw material available from the National Forests in every way possible. The new record cut of 12.0 billion board feet for the fiscal year ending June 30, 1966, will, we hope, be followed in fiscal year 1967 by another increase to a new record total cut of 12.75 billion board feet.

We are exploring ways and means to expand thinning and salvage sales in the Pacific Coast and Inland Empire States, for this would be a new source of raw material for industries where log supply is critical.

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In short, we want to market more timber from the National Forests. Sound conservation principles must be adhered to but we will exercise every bit of ingenuity we have consistent with those principles to keep the supply of raw material growing.

#### Allowable Cut Determination Alternatives

There have been issues raised recently on alternate approaches to allowable cut determinations. Public discussion of this matter has centered around a so-called Duerr report which was prepared for the Forest Service in 1960.

A portion of this report raised challenges on the need for adhering to an even flow of forest products for supports of individual communities. It included a very tentative schedule for an accelerated program for cutting the old-growth timber in the Douglas-fir region. Continuous support of many communities could not be maintained under this proposed cutting schedule.

Because the Forest Service did not consider this alternative sufficiently thorough and mature enough to merit publication, it has been charged with trying to suppress this material. This is just not true. This material has now been published in the Congressional Record.

The Forest Service continuously seeks to improve procedures for determination of allowable cut. It has no reluctance to consider and discuss alternative approaches to allowable cut determinations. These discussions should be thorough and orderly. They must give consideration to the impacts of accelerated cutting on all the uses and interests which

would be affected. This includes the viewpoints of those concerned with scenic and recreation values, watershed values, wildlife habitat, and continuity of support of individual communities.

We will be discussing these matters for many years. In the meantime, you should bear in mind that in the Douglas-fir region, where timber supply problems are most acute, the National Forest cut has gone up. In 1965 it was slightly more than 4 billion board feet, 45 percent more than the volume cut in 1960.

In summary, I feel the last year has been a year of mutual progress for the Department and the Forest Industries. We have worked together cooperatively and constructively. We have made tangible accomplishments in the harvesting of National Forest timber. Next year gives promise of both excitement and accomplishment. I look forward to enjoying both with all of you in the year ahead.

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DEPARTMENT OF AGRICULTURE

Washington, D.C.

Interview with

HONORABLE ORVILLE L. FREEMAN

Secretary of Agriculture

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MAY 23 1966

C & R-ASF

9:30 p.m., Thursday, 5 May 1966

Room 200-A

Administration Building

14th and Jefferson Drive, Southwest

Washington, D. C.

On Thursday night, May 5, 1966, Secretary of Agriculture Orville L. Freeman answered a battery of questions in a far-ranging, hour-long program aired over a special network of four of the nation's leading clear-channel radio stations. The program originated from Washington, D. C. at 9:30 p.m. EST.

Responding from his office, Secretary Freeman was heard by listeners to WCCO, Minneapolis; WGN, Chicago; WSM, Nashville; and WHO, Des Moines.

The transcript of the broadcast follows for your background information:





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Orville L. Freeman, 9:30 p.m., Thursday, May 5, 1966

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P R O C E E D I N G S

MR.HILL: Is the dairy farmer getting his share of the rising retail price of milk? Weren't hogs too high at thirty dollars? Should the American housewife spend more than 18-1/2 cents of the take-home dollar for food?

These are some of the questions American farmers and consumers are asking. And from his desk in Washington, D. C., U.S. Secretary of Agriculture, Orville Freeman is standing by to answer these and other vital questions for millions of Americans on the National Farm News Conference of the Air.

Through the facilities of the special network of some of America's leading clear channel radio stations, Secretary of Agriculture Freeman will have the opportunity to speak to millions of farmers and consumers in the vast regions covered by these clear channel radio stations: WGN, Chicago, Illinois; WSM, Nashville, Tennessee; WHO, Des Moines, Iowa; and WCCO, Radio St. Paul and Minneapolis.

The general topic of this National Farm News Conference of the Air will be "Food and Farm Prices. What's ahead?"

This is Jim Hill of WCCO in the Twin Cities. Other clear channel farm broadcasters participating in this special news conference are Herb Plambeck, Farm Services Director, WHO, Des Moines, Iowa.

Good evening, Herb.

MR. PLAMBECK: Good evening, Jim.

Good evening, Mr. Secretary.

SECRETARY FREEMAN: Good evening, Herb.

MR. PLAMBECK: This is WHO, Des Moines. Here in Iowa we have been going strong on corn planting all day. Beautiful spring evening here. It's good to be with you. Looking forward to your answers to our questions.

SECRETARY FREEMAN: Thanks, Herb.

MR. HILL: Mr. Orion Samuelson, Farm Services Director, WGN, Chicago, Illinois.

How are you this evening, Orion?

MR. SAMUELSON: Doing just fine, Jim.

Good evening to you. And, Mr. Secretary, in Washington, good evening.

SECRETARY FREEMAN: Good evening, Orion. It's good to be with you again.

MR. SAMUELSON: Thank you.

MR. HILL: From the Deep South, the Farm Services Director of WSM, Nashville, Tennessee, John McDonald.

Good evening, Mac.

MR. McDONALD: Hello, Jim. And hello, Mr. Secretary. You haven't been to see us lately.

SECRETARY FREEMAN: Hi, Mac. I do my best. I'd like to come. That is mighty nice country down there.

MR. McDONALD: We are having some wonderful weather, and we are going to enjoy our visit with you.

MR. HILL: Well, Mr. Secretary, before I ask the first question, would you like to have a chance to speak first?

SECRETARY FREEMAN: Well, Jim, I would just say to you and WCCO and Orion at WGN, and to Herb at WHO, and to Mac at WSM, that I am delighted to talk to any of you individually anytime, and it's a special opportunity to have all of you together. I am very grateful to you and your respective stations to arrange this get-together. It's a new experience. I can't recall a National Farm News Conference by air that has combined radio and telephone hook-up. But I am looking forward to it and I hope that we can

contribute something constructive to the discussion that goes forward as a part of the democratic process throughout this great land of ours.

MR. HILL: All right.

Jim Hill of WCCO.

Mr. Secretary, our dairymen are mighty disturbed over the fact that literally hundreds of dairymen in this heavy dairy area are going out of dairying because they cannot get a better price for milk, even at a time when milk production is not keeping up with dairy demand. The average age of dairymen, fifty-eight years.

At what price level does the Secretary believe dairymen will find it possible to stay in dairying; and will that price rise come soon enough to prevent a milk shortage?

SECRETARY FREEMAN: Well, Jim, I first of all want to say that I share the concern that is implicit in your question, and I have for a long, long time. I was milking cows myself almost before I could walk, and it's very, very hard work. And, by the same token, dairy products are some of our most nutritious and important foods.

Now, to try and answer your question directly, I would have to say that I don't think anybody has the exact answer to that question. For one thing, dairy must compete in the market. It must compete, for example, with soybeans and with some of the products that are the product of soybeans.

Now, nobody knows what price will permit people to continue to buy dairy products, particularly butter, so that the demand is sufficiently strong, and we will at the same time have a healthy dairy industry and give those hard working dairy farmers what they are entitled to. We are working to try and discover that.



Not very long ago I increased the dairy support price, as you know. It's up to about \$3.50 now. The market price at \$3.73 a hundred is the highest it has been since back in 1952. On the other hand, that does not mean that the average dairy producer in the Class II dairy areas is getting a very big return for his very, very hard work.

There is no simple answer to this question.

It may well be that we should increase that dairy support price more. I have been giving that some very serious thought.

By the same token, the \$3.50 figure that we settled on here several weeks ago was the product of a lot of consultation, and it represented the majority of the opinion of the dairy industry itself when it appraised the market conditions and realistically looked at what the situation was.

So this is a difficult one, and I can only say that we are very sensitive and conscious of it and that we are working on it, and I would like to move that price up. But we mustn't destroy the market, or the price isn't going to do us much good.

MR. HILL: You mentioned the dairying must be competitive.

Kermit Deitrich of Maple Plain, Minnesota, asks: How do you justify the increase in cheese imports at a time when the President is urging the cut in foreign spending, and Americans to reduce foreign travel to assist in the balance of payments? Or is this a subtle way to hold dairy prices below 100 percent of parity?

SECRETARY FREEMAN: No. actually, Jim, in this case the increase was the response to the request of the dairy industry itself, and particularly some of the small cooperative creameries. I had any number of phone calls in here from Minnesota, from Wisconsin, because there was a milk shortage and because prices had moved up to a higher level than it

has been for a long, long time. Many butter makers were having a very difficult time getting anything for their creameries. This was hurting them. It was hurting their farmer patrons and their farmer members. And so they requested that we try and do something to dull the edge of the cheese prices a little bit so they can get some milk. The cheese prices were higher than they had been since 1947. And the net result was a very minor action, less than a tenth of 1 percent as a matter of fact. And the cheddar involved was Canadian cheddar, which sells about 10 to 15 cents a pound on the market more than our cheddar and so the experts -- at least in the dairy industry -- felt that it was not competitive.

Another factor is that Canada imports about 400 million dollars worth of agricultural commodities

from the United States, and we buy from her less than \$200 million worth. Therefore, to buy a very small amount of cheddar cheese, which was symbolic to them and a part of our bargaining to get them to loosen up so we could sell more, kind of made good sense when the dairy industry itself felt that this would be useful in restoring better price relationships. I can assure you that the Secretary of Agriculture isn't trying to push down the dairy farmers' products -- quite the contrary.

MR. HILL: A consumer question. Mrs. Henry Bates of Minneapolis, a housewife, says two years ago skim milk sold 2-1/2 gallons for 53¢. Now it is two for 77¢. Whole milk, 2-1/2 gallons, 83¢. Is this due to the farmer getting more for his milk, or who is getting the increase?

SECRETARY FREEMAN: Well, that is a question that is bothering a lot of us. And I wish I could answer it pointblank, because something similar to that is taking place in other places around the country. I could only say that the farmer is not getting that increase, because farm prices -- and I speak in general figures now -- farm prices are about twelve percent lower than they were way back in 1952.

I want to repeat that again, and I hope that you gentlemen will use it on your own programs, and I am sure you have in the past, but I hope that every American will know and not forget that farm prices are about twelve percent below what those farm prices were back in 1952.

Now, wages have gone up. The cost of other things has gone up. Practically everything has gone up during that time. But farm prices have gone down. If farm prices had gone up as much as other things had gone up, why the housewife would be spending many, many more billions of dollars and would hit every single budget. So I would say in this case that

what happens between the time a product leaves the farm and the time it gets to the consumer adds 61¢ to the 39¢ that the farmer gets, and that is where the big increases have been taking place. And that is true in dairy, like everything else. So the farmer has not gotten his fair share of the price. Most of that price goes to someone somewhere between the farmer and the consumer.

MR. HILL: All right, Mr. Secretary. I am going to pass now to Mr. Herb Plambeck, of WHO, of Des Moines.

Herb, do you have additional questions?

MR. PLAMBECK: Mr. Secretary, you have answered most of my questions, but there is another. We understand indemnities to dairymen in residues, over which they had no control, will end June 30th. Will a new look be given to this question?

SECRETARY FREEMAN: Well, yes, Herb. There is consideration for this right now. The law will run out in connection with it, as you properly point out, but it is before the Congress and I think there is every reason to believe that it will be extended so that protection will continue.

MR. PLAMBECK: All right.

Orion Samuelson, Farm Service Director, WGN, Chicago.

MR. SAMUELSON: Mr. Secretary, here in the Chicago area, something rather historic I think happened on May 1st when we started operating without a federal milk market order here in the Chicago area. Now, thus far the contracts between producing cooperatives and dairies here in Chicago are holding and the price is remaining, but every once in a while somebody brings up the threat of a price war as producers outside of the area try to get milk into the Chicago area.



How does the Secretary and the Department view this development of a major market like Chicago operating without a federal milk market order?

SECRETARY FREEMAN: Well, Orion, it is a new and historic thing, as you very properly say, and I am concerned about it because milk market orders have helped to make a smooth relationship between producer and consumer, and there is danger of disrupting that.

However, there isn't very much that the Secretary of Agriculture can do about it. In this instance, the milk marketing order, which was consistent with the local and national interest, was voted down by the producers in that area. However, those producers and related groups have been discussing and working toward some kind of an arrangement that would be useful and consistent for all concerned. When they do that, why, we will proceed to hear it and to resubmit it.

But this, like other farm legislation, depends upon the support of the producers. And when the producers vote it down, there isn't anything that the Secretary can do about it.

MR. HILL: John McDonald at WSM. Any questions?

MR. MC DONALD: Just this from one of my listeners.

After I announced that this program would be on the air, someone asked me to ask this question, if the Department feels it is more feasible to feed other nations than our own children in recommending to cut the school milk lunch programs.

What is the status on that right now, Mr. Freeman?

SECRETARY FREEMAN: Well, John, let me clarify a little bit about this program. What has been involved in the recommendation that was made to the Congress in this is not to cut anything, but rather to redirect some of our food and some of our milk -- to redirect milk from the children who buy and largely are able to pay for it, like my children and your children, or like Henry Ford's or Nelson Rockefeller's. These children will have to pay a cent or two more for milk. But that savings would then go to extend the school luncheon milk program to a million and a half of the needy children in this nation.

These are children that don't have any school lunch. They are children that don't have any school milk. And therefore they are ones who are desperately in need. So what is really involved is not trying to feed anyone else around the world but trying to feed some of our most needy children here at home.

And the budget situation being tight, and involvements in other parts of the world straining our resources, why, it was felt that some of the children who are in better circumstances could afford to pay a cent or two more for their afternoon supplemental milk -- this doesn't affect their school lunch milk, their noon milk. And this would permit us to finance the program for the million and a half needy children.

There has been some confusion about this and I hope we can straighten it out.

MR. MC DONALD: One other question, Mr. Secretary. You know you may not realize it, but Tennessee is about the number sixth state in the nation in the production of cheddar cheese. Now, what do you think of this upping import quota? Do you think this is going to have any marked effect on the price of cheese?

SECRETARY FREEMAN: Well, frankly I don't Mac. I don't think it will have any effect at all. The volume involved is less than one-tenth of 1 percent. That is number one.

And number two is that the kind of cheese involved is a special long-aged, special sharp cheddar cheese which is 10 to 15 cents more than American cheese. With a very strong demand and a very strong price, and with a very nominal amount involved, I don't think it is going to have any adverse effect on American cheese prices. Otherwise, we certainly would never have acted at all on it.

MR. HILL: All right, Mr. Secretary. We are going to move on to another subject now and talk about the pork situation and possibly talk about hog prices.

To start the questioning there, Herb Plambeck, WHO, Des Moines.

MR. PLAMBECK: I do have questions on pork because that is very important in our area. But I would like to pose another question first.

Much confusion has existed of late with statements attributed to your office. As you know, Mr. Freeman, many of us in the farm field of news have been with you often. We have looked upon you as a real champion of agriculture. A month ago came reports that caused some doubt among some of our listeners and readers, and I just wonder if you would like to make a statement now.

I understand that yesterday you denied that you had said that "you were pleased about lower farm prices."

SECRETARY FREEMAN: Well, I certainly did say that. And I would repeat it now, Herb. I don't think I could say that I was pleased about lower farm prices. I think I would swallow my tongue. That is so much out of character that I am pleased that you, who know me well, would immediately realize that that was hardly consistent.

Actually, what took place was a projection of some farm prices and then the comment on my part that I was pleased that some of the very high peaks -- which were the product of unusual circumstances and which are always followed in agriculture by a bust -- were moderating at what looked like reasonable levels, and that we might be able to avoid some of the pitfalls and some of the busts that we have



gotten in the past when prices swing very high and then there is a lot more production and then they break and then we go way down to the bottom of the cycle. That is not good for the producer and farmer. It is not good for the consumer. It is not good for anyone. And I pointed that fact out.

The fact that the word "pleased" was used apparently led some, intentionally or otherwise, to immediately expand these remarks to cover farm prices, period. And well, Herb, that just simply isn't true. As I say, my tongue couldn't possibly work that way.

MR. PLAMBECK: Well, thank you for the clarification. The reason I asked this is I left an important meeting only minutes before I came here to the studio, and I heard a national farm leader pick up some quotations that had been attributed to you and I felt I wanted to get the record straight. Thank you again.

Now may I ask a question or two on pork?

SECRETARY FREEMAN: Please do, Herb.

MR. PLAMBECK: When the Defense Department cut pork purchases for U. S.-based personnel earlier this year, it hit pretty hard here in this section. Hog producers, after some years of well below parity return, considered it a pretty low blow. You will recall several of our farmers went to your office, met with Defense officials, hoping the order would be rescinded.

Yesterday you wrote Secretary McNamara a "Dear Bob" letter, recommending immediate increase in pork purchases. This recommendation, I am pleased to say, drew some applause for you here.

Now, what, if any, response have you had from Defense officials?

SECRETARY FREEMAN: Well, we haven't had any response yet, Herb.

But I am hopeful that we will. Because it has been brought to the attention of the highest officials in Defense that the price situation has changed.

Actually, at the time the order in question was issued and the buying of pork and hog products was slowed down, the parity price on hogs was about 122 percent. And Defense did what is done in the Government generally, and that is we try everywhere to buy when prices are falling-to try and stop that and help the farmer by strengthening his price.

On the other hand, when prices aren't very high, that buying slacks off for obvious reasons. The Defense Department tries to be like a prudent housewife and to buy intelligently and effectively, and that is the way the free market works.

Well, that 122 percent of parity high of over \$30 for hogs in January has slacked off some, as we all know, and when it slacked off, the normal operating procedures here mean that buying will begin again. And I have so advised the Defense Department in connection with this and I think there is some reason to believe they will act favorably, although they haven't finally made up their minds.

MR. PLAMBECK: Mr. Secretary, in that same vein, a Cumming, Iowa man has asked this question:

How can parity ever be achieved for agriculture if the first time that hogs or any other commodity goes above that mark, a Government agency issues an order to send things way below parity again, which as we understand it parity is a fair return in relation to other facets of our economy?

SECRETARY FREEMAN: Well, Herb, I might say in the first place that even the drop, hog prices are pretty close to 100 percent. The latest figure is 97 percent. But really the important thing I think we ought to keep in mind when we talk about parity and about farm income and the rest is that what we are shooting for is not some abstract relationship between prices for a particular commodity and various costs that go into it. What we want to

accomplish is parity of income.

When the year end comes, and when that farmer has totaled up what he has got from selling his products and from programs where he cooperates with the Government and when he has totalled out his costs, the important thing is what is the net profit he ends up with at the end of the year?

And happily that net income figure has been strengthening considerably. There are a good many farmers, many many hundreds of thousands of farmers, who are very close or who have reached parity of income. And I define that as getting at least a 5 percent return on his capital and also returning at least a skilled laborer's wages. And there has been a tremendous increase of income along these lines.

Actually, it is up about \$3.5 billion over what it was in 1960. And I feel very proud of that. It is up about 55 percent per farm. And every state-- And I will be happy to try and give those numbers to all of you for the states that you reach the strongest-- Farm income in every state has gone up very sharply since 1960.

Now, I don't contend by this that we have reached parity of income. Of course we haven't. And the figures to which I refer are national average figures. But they are brought together carefully and methodically by experts and by career people in this and other departments. And the fact that we have been able to increase the prices on farm commodities and the fact that we have been able to increase the income to farmers in this very significant amount over these years is something in which I take great joy, I can assure you.

MR. PLAMBECK: I was interested, Mr. Secretary, in your statement that hogs are now at 97 percent of parity. Evidently I have been somewhat misinformed. I didn't realize it was that high. But thank you for giving us that information.

One more question and then the others have some, I think.



Listeners here, like Harold McKinley, called this afternoon and some of them asked just who advised Defense, the Defense Department to order the cut, the cut in pork buying? Was it you or your staff members or was it the President or his economic advisers, or just who was it?

SECRETARY FREEMAN: Well, Herb, a number of people I suppose did in a sense, because the action taken by the Defense Department was a routine and normal action. As I tried to explain a little earlier, when prices of any commodity go above a certain level, why, the Defense Department and the rest here slow up on their buying and try and buy other things where the prices are softer so we can help farm income in that area.

And so in this instance, why, we are always in touch with the Defense Department and we keep them furnished with what is called the outlook information. In other words, periodically we follow markets and figures and costs and prices. When they get that information over there, they study it very carefully.

So when hog prices, for example, went up to 122 percent of parity and hogs were selling for over \$30, why, it was the normal pattern that they should then slack off their buying.

You might recall that in 1964 when cattle prices fell to catastrophic lows, and our producers and farmers were going broke and suffering terribly all over the country, that the Defense Department moved in and spent many, many millions of dollars. As a matter of fact, between the Defense Department and the Department of Agriculture, we spent a couple hundred million dollars buying beef in 1964 and provided a very critical margin in strengthening catastrophically lower beef prices. So you see this cuts two ways.

When the prices go high, in this case 122 percent of parity, why, we slack off and buy something else. When the prices drop very low, then we move



back in. And that is exactly what I think the Defense Department is going to do now on pork.

MR. HILL: Orion Samuelson, have you a question?

MR. SAMUELSON: Well, along this same line, Mr. Secretary, from the standpoint of the consumer and pork prices to the consumer, how much consideration was given to the fact that the order by the Defense Department, because of concern over high pork prices, how much effect this would have on the thinking of the housewife going to buy pork and pork products, because I have come across several here that said, "Well, we have stopped buying bacon because if it is too expensive for the Army it is too expensive for us."

Was this taken into consideration when the order was given?

SECRETARY FREEMAN: I can't really answer that question for I don't know. Because I didn't make the decision. The decision was made in a rather routine manner.

It is kind of ironic, if I may say so, this is a kind of example of where you are in the middle. On the one hand, a number of newspapers and some reporters in Washington have been complaining that no official announcement was made about the pork. And therefore perhaps in the futures market someone got a little special benefit.

By the same token, because there is so much interest in it now and it has gotten to be a somewhat, shall we say, hot political issue, why, reporters looked at it and they are the ones that wrote up the stories. There was no announcement by the Defense Department. It was just a case of that well-knowing inquiring reporter. He just got his foot in the door and got the information and wrote it.

As I say, they were acting routinely, and I think trying to buy prudently.

MR. HILL: John McDonald?

MR. MC DONALD: Mr. Secretary, we always think of corn and hogs together, and of course that brings the corn-hog ratio into mind. And now, we have a lot of our farm people that have accused you-- Well, I believe it is a fact that you have sold tremendous amounts of corn out of CCC in the last few months.

Assuming that is a fact, we had lots of farmers in this country that, well, they even borrowed money from Government agencies to build storage. They borrowed money from Government agencies in some instances to put in dryers to dry this corn that was gathered last fall and have held it hoping to get a better price for it, and now they are not getting that. And they wonder why.

SECRETARY FREEMAN: Well, you know, John, I'm glad you asked that question because we will more or less get down to cases on a few things.

We did sell some corn, quite a bit of corn, beginning last January. And we exported most of it. We sold it for good, hard American dollars around the world, as a part of building up our markets for the future, selling American farm produce and strengthening our total national economy.

But interestingly enough, the price of corn didn't drop while we sold it. The price of corn held about what it was. And there was almost no adverse effect on corn prices in the market. They held up surprisingly well.

So some of the contentions about this simply beg the facts.

Because the price of corn in the market is considerably higher than the support level. And John, I would like to make the point, because it sounds like this question was a little bit critical, that since I have been Secretary of Agriculture, the market price of corn has always -- and may I repeat, always been above the 1960 loan rate.

Now before I got here, under the previous Administration, why, the market price of corn was always under the support rate. And I must say that so long as the market price of corn is 10 to 20 cents above the loan rate, it seems to me that the accusation that you're dumping and driving down the farmer's prices really isn't very meaningful. Because, John, what it comes down to is that we need to follow the ever-normal granary principle, and that is something like the Government buying I described a moment ago.

When the prices fall low and we have been buying crops and a surplus tends to build up, why, that is the time for the Government to use its economic power -- representing all the people of the nation -- and buy. And that is why we have a program. That is why we have a loan rate. That is why we take over some of this corn when necessary.

Now, when we take it over, and you will recall enormous surpluses of corn and wheat were built up not very long ago, why, then when the prices go up very high, then we have got to move some of that corn into consumption. We can't sit on it forever. You can't really have it both ways. If you are going to buy, why, some day you have got to sell.



And I want to go back and say, as we have sold we haven't affected that market price. It is as high as it was before we started to sell. In all the years I have been here, with the Feed Grain Program, the market price has never once been below the 1960 loan rate. And I think that figure speaks for itself.

And very frankly I am a little impatient with all this business of talking about dumping corn. There are some people that are trying to make a big political issue out of this. And I tell you frankly that when you talk to these people, why, they will admit privately that they are talking through their hats.

So I am glad of the chance to speak on this question rather strongly.

MR. MC DONALD: Well, thank you, Mr. Secretary. I think that will clear that up in the minds of a lot of people.

MR. HILL: We will get back to that corn and soybean situation again in a moment.

But, Mr. Secretary, during this \$30 high-hog price -- oh, I see, the engineer is telling me that we should take ten seconds to let stations identify themselves, and we will do that right now.

In case you are just joining us, this is a special National Farm News Conference of the air, with the U. S. Secretary of Agriculture, Orville Freeman.

Secretary Freeman is seated at his desk in the Nation's Capital.

Our topic is food and farm prices, and what is ahead. Through the facilities of four of America's leading clear channel radio stations, millions of Americans and the vast areas covered by these stations, have the opportunity to hear firsthand the Secretary's answers to the questions



in the minds of farmers and consumers.

This is Jim Hill at WCCO in the Twin Cities of Minneapolis and St. Paul. And passing along the questions to Secretary Freeman with me are Herb Plambeck, Farm Services Director, WHO, Des Moines, Iowa; Orion Samuelson, WGN, Chicago, Illinois; John MacDonald, Farm Director, WSM, Nashville, Tennessee.

And I was going to tell you, Mr. Secretary, during the \$30 price on hogs, I did a little survey of my own among some of the retail stores in the Twin Cities to find out whether there was any resistance to ham and bacon prices. The butchers told me -- oh, yes, there was a little, but they said, "Apparently, the housewife has it and will spend it."

But then the President of the United States stepped in to halt what he apparently thought was inflation when he suggested that American housewives buy lower priced foods, that is, than the high priced cuts of pork.

Now, is this saying to the American farmer, "We believe your price is inflationary," and an attempt to tell the consumer to exercise a kind of boycott?

SECRETARY FREEMAN: No, it certainly is not, Jim. The President is concerned about inflation. He has the responsibility for the entire Nation. This is a very critical time in the history of our country. We have worked our way out of deep recessions. We have come close to a full-employment economy.

A few years ago, we had over 7 percent unemployed. Now we have fewer than 4 percent and almost effective full employment. A few years ago, we were using only about 71 percent of our industrial plant. Now we are up close to 93 percent, and we are enjoying unprecedented prosperity.

Now, we want to keep that, and we want to keep it without having to have controls and without increasing taxes. And the President in his role as national leader has called on everyone in the economy to exercise restraint and to try not to increase their prices, and to try and postpone unnecessary purchases. And, in doing this, he has used a number of examples and he has used them literally.

I can assure you -- all you farmers -- that President Johnson is a farmer himself. As a matter of fact, this evening he is down on his farm in Texas, and he took great joy today in announcing the increase in acreage allotments in wheat. He follows agricultural matters closely.

I don't know how many times he talked to me and said that the farmer never, in this country, has gotten a fair return or his just due. The President is constantly working to try and increase farm income. You can be certain that he does not believe, nor did he ever say, nor would he say, that farm prices are inflationary. He knows better, because he knows that farm prices are 12 percent less than they were way back in 1952.

MR. HILL: Mr. Secretary, Orion Samuelson, now, from WGN, Chicago, is interested in the corn-soybean situation.

Orion, take over.

MR. SAMUELSON: Thank you, very much, Jim.

Mr. Secretary, here in this part of the Midwest, in addition to livestock, corn and soybeans are important crops. And, many of our listeners have commented on what seems to them like the hardest sell job they have ever seen on trying to get them to go along with the Corn Program and cut back corn acreage and up soybean acreage. And some of our soybean growers are a little bit concerned that a crop that has enjoyed pretty good prosperity may soon wind up as surplus.

What really is the Department's aim here in encouraging more soybean production, and why the big push to get farmers out of corn production?

SECRETARY FREEMAN: Well, Orion, you stated it very well. There was a push, and we have tried to make the program work on feed grains, because we still do have a strong feed grain supply. I won't call it surplus. We are down from 85 million tons to maybe 55 million tons, but we do need more soybeans, and we can get along without quite as much corn. It is about that simple.

The price relationship between the two should be, first, that we would get a few more soybeans. And that is why the soybean price support was increased and that is why we have been anxious for cooperation and to move a little bit from feed grains into soybeans.

And so I would just say, we need more soybeans. We can get along with a little less corn. It is to the farmer's interest and the national interest, and the farmers have cooperated magnificently.

The signup in the feed grain program this year was about the same as last year, and we felt it might fall off rather sharply. We feel there will be several million more acres of soybeans than our earlier predictions. We still are not going to have an oversupply of soybeans, according to our best estimates. Demand is stronger; in fact, demand is strong around the world. But I think that the soybean farmer need have little concern that we are going to get into a surplus condition.

I can assure you that the Secretary of Agriculture is allergic to surpluses. I lived with them for a long, long time, and I am kind of rejoicing, or at least I was until a couple of weeks ago, at having an agricultural situation where I wasn't continually being dogged in trying to apologize and defend surpluses.

And to my farmer friends, I would say that there is no one who wants to avoid surpluses more than the Secretary. By the same token, I am deeply concerned always that we have an adequate supply. We carry great responsibility to meet the needs of our own people at home, and, really, in a sense, we are the storehouse for the world, as today we reach out and feed millions of people who otherwise would starve in India. Every farmer, when he climbs on his tractor, ought to feel a sense of pride, because, if it weren't for his efficient and effective production, millions



and millions of people in the world, right today, would literally be starving.

And so, we want to have good, solid reserves. And that is why the President has directed more wheat acreage.

On the other hand, we don't want needless, heavy, costly surpluses. As a matter of fact, I might say that today we are spending about \$200 million less a year to pay storage on unneeded surpluses than we were paying when I became Secretary of Agriculture in 1960.

MR. SAMUELSON: Could you explain, Mr. Secretary, the increase in cottonseed support that was announced, how this will affect the soybean market, because it apparently came in relation to the increase in soybean support?

SECRETARY FREEMAN: Indeed it did, Orion. You see, they are tied together by law, and, when the price support on one moves up, the price support on the other moves up. And they are related and interchangeable in many respects. So, by law, the other is automatically adjusted when the price of one changes.

MR. SAMUELSON: Jim, that takes care of my question on this particular topic. I will switch it over to John McDonald.

MR. HILL: John, do you have anything concerning the corn and soybean situation down there?

MR. MC DONALD: No. I believe I covered my part on corn, because we are diverting quite a bit of acreage of corn into soybeans in this section of the country. But, by the same token, we are having to bring some corn down out of the Corn Belt. I don't know whether it is a healthy situation in this particular area or not.

MR. HILL: Well, John, you are, of course, in cotton country and, although we see that some of the dresses have less and less cotton in them, I understand that you have a cotton question to ask the Secretary?

MR. MC DONALD: Actually, Mr. Secretary --

SECRETARY FREEMAN: Well, I am glad to see that you know these things. You really are a farm reporter; aren't you?

MR. MC DONALD: Mr. Secretary, actually, I have several questions on cotton. I don't think they will take such long answers, but several things that I have asked cotton friends about, and they wanted to pass these questions along.

Now, so far as the surpluses are concerned, does cotton stand out as one of your biggest problems?

SECRETARY FREEMAN: Yes, John. Cotton is the problem. We have some problems with tobacco, but we will have about 16.5 million bales of carryover this year, and that is the great big No. 1 surplus problem in the Nation. No question about it.

MR. MC DONALD: Now, would you say the new Government Cotton Program will make any appreciable dent in the surplus this coming year?

SECRETARY FREEMAN: Yes, John. I would say that it will. And I want to take this occasion to express my appreciation for the cooperation of so many cotton farmers. We expect there will be a very sizable cut in this carryover, possibly as much as 2.5 million bales.

In any event, between 1.5 and 2.5, and this is healthy progress to get back where we should be in cotton.

MR. MC DONALD: Is the one-class cotton system helping in the domestic market; do you think?

SECRETARY FREEMAN: Yes, I think it is helping. The market has loosened up and is going to be able to function more normally. We predict there will be an increased domestic utilization of cotton, and, also, that, under the new program, our exports will move up sharply.

Up to this point, the cotton program is working as predicted and the cotton producers are cooperating.

And I want again to express my appreciation to them as good Americans.

MR. MC DONALD: Well, that answers two questions in one.

Now, the next one I have to pass along, will the fiber exports have any prominent place in the Food for Peace Program?

SECRETARY FREEMAN: Yes, they will. Under the current program for India, there are between 400,000 and 700,000 bales of cotton involved there. And there will be continued fairly heavy programming of cotton under the Food for Freedom Program.

MR. MC DONALD: Mr. Secretary, would you elaborate a bit on this International Cotton Institute that has been formed? I think it would interest our listeners.

SECRETARY FREEMAN: Yes. This is in effect an international organization of countries which are cotton exporters. Those countries have joined together to discuss their mutual problems and to try and develop solutions for them. One of the forward steps was to recognize that there is a very real problem in competing with the man-made synthetic fibers and that they needed to get together and cooperate in trying to do some market promotion. And so the U. S., and others, are joining together to try to do a better job in international markets in promoting the use of cotton.

I think it is a healthy sign when nations producing this commodity join together and try mutually to solve their problems.

MR. MC DONALD: One other question before I pass to Jim. The Resurgent Promotion Act that is in, well, I believe it is in committee maybe, or it has passed one House, that would allow referendum on a checkoff of a dollar a bale to promote cotton. What is your thinking on this?

SECRETARY FREEMAN: Well, we haven't taken, as a government, any official position in connection with this. Let me just state a personal opinion. My personal opinion is that it will be a good thing and that it is important that the cotton industry should pool its resources and



work to promote its product. It seems to me that the synthetic man-made fibers have had more resources and they have out-promoted the cotton industry. And so in this instance, why, I hope that this legislation carries and, as a matter of fact, the Department has indicated more or less informally before the Congress that we hope that it will carry.

MR. MC DONALD: Of course now all that Congress will do will be to allow a referendum.

SECRETARY FREEMAN: That's right. And I am glad you make that point. Like all of our farm programs, this one would be subject to grower approval. There would be a referendum and in addition, even though the referendum carries, when there is a checkoff, any farmer who does not wish to cooperate, just signs a card and indicates that. Any money that he has contributed will be refunded to him.

MR. MC DONALD: Okay, Jim.

MR. HILL: All right, Mr. Secretary. Concerning this cotton program, is this going to cause any price increase to the housewives on the finished textiles?

SECRETARY FREEMAN: No, it should not. It should do just the contrary. Because the price of that cotton is now going to fall quite a ways. In other words, the support price on cotton currently is 29 cents, and it will be 21 cents. So you see that is a very important

drop in the cost of the fabric. And there should be a significant saving in textile goods to the consumer as a result of this new program.

MR. HILL: Mr. Secretary, I will ask about this corn situation again. We have a lot of elevator operators who have really been up in the air the past couple of months over some policies of Commodity Credit, wherein that when they receive loading orders, whether it was 40 percent or 100 percent, meaning to ship out to the Minneapolis terminals, that they were not given a chance to buy it back. And we know of personal cases where the elevator operator shipped it in at Government expense, his own brother in the Minneapolis terminal bought the grain at Government expense with a commission, and shipped it back to the same elevator again because it was a grain deficit area and he needed the corn. And they are asking why.

SECRETARY FREEMAN: Well, I don't know about any of those individual instances. If anybody could give me the detail on that, Jim, I would be very interested in checking it out.

I watched this whole thing very carefully and it was distressing. It was distressing to us here. But this is one reason why we need to learn to get along and live without heavy and costly surpluses.

It is true that in the past, even though corn was sold, and

even though there were loading orders, if that local elevator wanted to buy it, we had enough corn so that we could permit him to buy it and we could still fill the order. That was one of the benefits, I suppose, of having a surplus lying around.

But, now, when our supply has gotten in a much shorter position, and when those sales are made -- and most of the sales in this instance were made for export -- it is very important that we fill those orders.

Once those orders were filled, why, we were not this time in a position to turn around and allow the local elevator to buy it back even though loading orders were issued.

I don't want to get in any argument about this. But I think it is only fair to point out that there were quite a number of signs in the market that our exports were going up and that we likely would do some selling and bring some of that corn in.

Of course all through December and up until the actual sales were made, why those folks could have bought that corn. They could have bought it at any time.

Now, it is understandable perhaps why they didn't. They were trying to make a dollar for themselves. That is what they were in business for. They wanted to keep it in their elevator. They wanted to get paid by the Government for

storing it. And so they waited and waited and waited. And then when finally we had to move it because we could export it and sell it around the world, why then suddenly they said, "Don't do it. Let us buy it."

Well, by that time we had sold it and most of it was already headed for overseas markets. And there wasn't enough extra corn lying around to do what we were able to do in the past.

I would only say that I am sorry, but I hope that we can avoid these kinds of things and that we can all learn that it is not quite as easy to operate when you no longer have lots of surpluses lying around.

MR. HILL: Herb Plambeck, WHO.

MR. PLAMBECK: I was just going to horn in, if I could. I have a question also dealing with Commodity Credit corn. Here in Iowa a lot of corn producers regard it unfair that Commodity Credit would have a -- well, I guess the best term would be a double price standard on sales of CCC stock.

Now, of course the stocks have all been depleted. The corn has all been sold. But I refer to the standard, Mr. Secretary, that seems to favor the large volume purchasers, who apparently buy for cash and seems to discriminate against the individualized stock farmers and the local elevators who apparently have to buy on the formula plan.



SECRETARY FREEMAN: Well, I just don't know, Herb. I know of no such situation. I would be interested in getting the details in connection with it. Buying and selling practices vary around the country in different places. Sometimes local circumstances cause it, local preferences, and so there are differences. But, to my knowledge, there is no program which is favorable to a big purchaser and unfavorable to a small one. We just try not to operate that way.

MR. PLAMBECK: Well, Mr. Secretary, I will most certainly supply you with quite a bundle of information I have on it. I don't want to take your time now, nor the time of the rest of the men, but there has been a differential of from 4 to 6 cents a bushel in favor of the large buyers, the 100,000 bushel lot buyers, and the farmers who have livestock to feed, and the local elevators, aren't the least bit happy with what has happened this past several months. And they are hoping there will be no repetition of this next year.

Now, so much for that.

SECRETARY FREEMAN: You do that. You send that on in here. I want to look into that, and I assure you you will hear from me promptly in connection with it.

MR. PLAMBECK: Well, I will supply you with the information I have, so you will know exactly what I refer to.

I was pleased to hear you speak about the increased soybean production as you did. Iowans are certainly responding to your request. And I have even added a few acres myself.

A lot of people have been asking me, and I have had lots of calls today, is this going to force bean prices lower. And your statement earlier assured us that that would not be the case. So I presume Mrs. Peterson and a dozen others will be happy.

Now, one other question on the soybean thing. Mrs. L. W. Ensley, near Ogden, feels that there are too many conflicting reports on the probable carryover of 1965 soybeans this fall. Now, what is your estimate on those stocks when this year's harvest begins, when the 1966 beans start coming in?

SECRETARY FREEMAN: Let me be sure that I am answering you exactly. What you are asking, Herb, is when we start harvest for beans in this year?

MR. PLAMBECK: Yes.

SECRETARY FREEMAN: What our estimate is of what the carryover will be at that point?

MR. PLAMBECK: Roughly about the first of October.

SECRETARY FREEMAN: About 30 million bushels.

MR. PLAMBECK: All right. That answers the question.

Thank you.

MR. HILL: Orion Samuelson of WGN.

MR. SAMUELSON: Yes. I would like to move into another area, one that was briefly touched on earlier, and I probably have a couple of questions in this area. How difficult it must be to try and assure consumers that we are going to have lower food prices on one hand and yet assure farmers on the other that we are going to have stable or higher farm prices. And this has all brought about reports out of Washington recently, Mr. Secretary, that there is a little bit of disagreement going on between the Department and some of the White House staff in this area. We even had one report about a strategy meeting set up to discuss this. Is there a disagreement between the White House staff and your Department in this area?

SECRETARY FREEMAN: Orion, you have really asked two questions here. And I have got to refer to the first one because you sounded like you were smiling when you asked the question, Are you carrying water on both shoulders in terms of the consumer and the producer? And I want to say quite sincerely that that is not the case, that fair prices to the farmer and a steady price structure that doesn't jump up and down like a jumping jack is important to the producer and important to the consumer.

The consumer in this country increasingly buys his food for less "effective" cost. As a matter of fact, an hour of work will buy more bread, more milk, more beefsteak--you name it--than it would even in 1960. And it will buy twice as much as it would thirty years ago. And basically, the programs we have are as important to the consumer as to the producer, and our consumer gets the best food bargain in the world.

Now, we all complain at times when we pay the bill at the supermarket, but if you sit down and take out your pencil and think what the bill was ten years ago and compare it with what you earned, I think any fair minded person will agree that our food is a bargain. So, basically, this is not carrying water on both shoulders.

A fair price to the farmer so that he can get enough to pay his inputs and produce with more efficiency--that helps the consumer, too.

Now, as to the second question, I will answer that very quickly. This is a wide open press conference, or news conference of the air, and I want to respond to every question, but in terms of my relationships and the discussions about this within the Administration family, I just have to say in that connection, no comment.



MR. SAMUELSON: One other question then that goes along with this same thing. One farmer was quite concerned because he asked why, when we talk about inflation or a higher cost of living index each month, is food the thing that is mentioned most prominently? Why don't we tell people to stop buying automobiles?

And while I don't think he expected anybody to really come up with the answer, he wonders if the Department or somebody can do something about this. Why always use food as the culprit here?

SECRETARY FREEMAN: Well, gentlemen, I would like to enlist you. The worst culprit in using food is some of the big city newspapers. They are making a whipping boy out of the farmer every time. Every time that I go to some of the big cities, particularly in the east, and have a press conference, all I get is a lot of people who claim to represent consumers that are always criticizing the farmer. And these big newspapers, and along with it some people who are in or want to be in public office and think they can get some votes this way, have tried to hang on the farmers' back the label that he has been responsible for the inflationary pressures.

Well, that simply is not true. With farm prices 12 percent lower than they were in 1952, why everybody ought to be saying "thank you" to the farmer instead of growling at him. And I would like to say, if I may, that I would like to

enlist Jim Hill at WCCO and Orion Samuelson at WGN and Herb Plambeck at WHO and John McDonald at WSM, along with the Secretary of Agriculture, to educate some of these newspapers so that they get the facts of life and the people of this country understand that farm prices are not inflationary.

MR. SAMUELSON: Thank you, Mr. Secretary.

MR. HILL: Mr. Secretary, in this regard -- well, first of all, I think that the four men you have been trying to enlist were drafted quite a while ago and have been working as hard as they know how in this direction, but maybe without the kind of success we would like to have.

Is it possible that we need a new yardstick? Orion touched on this. But they are everlastingly talking about today's food basket and it is too costly. But they seem to forget that often times that food basket that they take out at the supermarket includes a lot of things in addition to food itself. I can name quite a few, and I am sure you can too.

The question is, apparently housewives consistently seem to charge everything in that basket against the food producers. And we feel that the farmer is getting some undeserved blame and very little well deserved praise for the food bargain he has provided to America and the world.

I think the common figure used now is that the American consumer is getting her food for 19 cents out of her

dollar, and that is a good deal better bargain than most other places, than every other place.

Now, is there a different yardstick, or should we change the one we are using in some manner?

SECRETARY FREEMAN: I don't think there is any yardstick. The facts ought to speak for themselves. A frustrating thing on both sides, of course, is the farmer gets only 39 cents out of that food dollar. The balance goes into other things. And there is a big question perhaps whether all of them are worth it. In the last analysis, only the consumer can decide that. But I think we have to just keep banging away at this. But it is very, very difficult.

I would like to have a nickel for every time I have said this publicly in making speeches and written it. But it takes a lot of work, and we have been getting a lot of good help on this from some of the agri-business community who have been running programs pointing out that food is a bargain.

But it is a difficult thing because most housewives, I suppose quite understandably, spend a good bit of their budget at the supermarket and even if it is for other things it is easier to growl than it is to stop and figure what it really goes for.

MR. HILL: Mr. Secretary, excuse me here.

On this subject, I have some figures here that I

think ought to be interesting.

In 1947, the housewife spent 25.6 percent of her dollar. In 1955 she spent 21.6. And now, as Herb mentioned, well, my figure is 18.4\*.

Now, I am not so sure that I am too proud of the fact that I can in a sense get food that cheap when I see another segment of our economy suffering because of it.

SECRETARY FREEMAN: Well, I just say amen on that. And this is true. And that is why we are working in every way possible to get those farm prices up.

Now, one of the sensitive things about it of course is that if we are going to have workable farm programs, so that we can balance supply and demand, we have got to have a working relationship between supply and demand or we will be back to the kind of prices we had in 1960. And, despite the growing demand, we still have a tremendous unused productive capacity in this country.

And in order to have a farm program, it has got to go through the Congress. In order to go through the Congress, we can't have every consumer in the country feeling that their prices are unreasonable. So we have got a kind of a double-edged problem here and we have got to be very responsible.

Furthermore, the new kind of programs that supplement farm prices with some of these payments add to farmer income and they go directly to the farmer rather than getting to him only indirectly in a trickle-down way. And those programs are working well and we need to have support for them.

(\*Correct Figure 18.2)



So in the overall, this is a very important area of public education, of public information, and I know that you gentlemen work at it constantly, as I do. I think we are making some progress, but we must keep at it.

MR. HILL: Gentlemen, we have two minutes left.

Orion Samuelson, any questions?

MR. SAMUELSON: Well, I will switch it to John McDonald. I heard him calling.

MR. MC DONALD: I wish we could go another hour. There are several problems here which I would like to touch on. Before we go, though, I just must have the Secretary comment on the export of hides that is causing a lot of talk in this area.

SECRETARY FREEMAN: Well, this has been a difficult one, John. As you know, there was a serious threat of an increase in shoe prices. It was linked up with the hide situation. The exports of hides had climbed to an all-time national high. And even with the limitation that was put on them, they will be greater than in any year except 1965. Nonetheless, another careful review of this has been made. A hearing has been held. It is being carefully analyzed and in the future there might be some moderation of it. We will just have to wait and see.

MR. HILL: We have thirty seconds, gentlemen. Any comment?

SECRETARY FREEMAN: May I say at this point, Jim, again how much I appreciate all of you here, and incidentally, Jim, would you give my regards to Larry Haeg, the president of WCCO, and tell him I enjoyed very much meeting with him and Gordon Mikkelson and the President yesterday, and getting the report on improved farm income in the Ninth Federal Reserve District. And, to all of you, thanks for joining in.

Your questions have been penetrating and important and I have tried my best to answer them. I hope that together we have informed - certainly we have tried to inform - the farmer and the city dweller alike. That is a lot.

MR. HILL: Thank you, sir. You have been sitting in on the National Farm News Conference of the Air, a unique linking of four of America's outstanding clear channel radio stations to bring Americans up to date from border to border on issues vitally important to farmers and consumers alike, "Food and Farm Prices, What is Ahead."

Participating in this special clear channel radio public service presentation, from his office in the Department of Agriculture in Washington, D.C., the Honorable Orville Freeman, U. S. Secretary of Agriculture.

From Des Moines, Iowa.

MR. PLAMBECK: Herb Plambeck. Delighted for the opportunity to be on this program.

MR. HILL: From Chicago, Illinois.

MR. SAMUELSON: Orion Samuelson, WGN. Thank you, Mr. Secretary, and good night, Jim.

MR. HILL: From Nashville, Tennessee.

MR. MC DONALD: John McDonald, WSM. Good night, Mr. Secretary.

MR. HILL: And from WCCO radio, the twin cities of St. Paul and Minneapolis, Jim Hill.

Thank you for participating in this history-making national farm news conference of the air.

AGRICULTURE -- FRONT AND CENTER

Today is Friday the thirteenth. It is now the thirteenth hour of the day, and we are together on the thirteenth floor of the National Press building.

Now, before you panic, let me assure you the building is sturdy, the economy is sound, the President is confident, and I am not superstitious.

I'm like the man who overheard his wife telling her friend: "My husband had good luck on his hunting trip. He came back alive."

In my last appearance at a Press Club luncheon, more than five years ago, I described the goals I would seek to achieve as Secretary of Agriculture. They were to reverse the then rapid buildup of agricultural surpluses, to reduce the cost of those surpluses, to increase the incomes of farmers, and to insure that our food abundance was made available to those who needed it.

Many people said then that I was setting out to do the impossible. Well, here I am again ... and still alive. If the impossible has not been achieved, it has been a good hunting trip, to say the least.

It is a good time to take a look at what is happening today in agriculture ... and to consider some of the challenges that confront our highly productive and creative American farmer in the second half of the decade of the '60s.

Five years ago the challenge was to find some way to live with what some people thought was a too-productive agriculture -- to enjoy its benefits

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Address by Secretary of Agriculture Orville L. Freeman before the National Press Club, Washington, D. C., May 13, 1966, at 1 p.m. (EDT).

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without being drowned by its excesses.

Five years ago the farmer too often was characterized as a mendicant who produced unwanted glut in exchange for public alms.

How times have changed in five years!

Today, the American farmer holds a key position -- truly, Agriculture is Front and Center -- in the U.S. economy ... in the policies of our nation as a world leader ... in the hearts, minds, and hopes of millions of people all over the world.

Today, the American farmer is being asked to undertake an entirely new dimension of effort abroad. A large measure of hope for peace in the world depends upon his ability to furnish food for restless, hungry peoples ... to buy time while scientists and agricultural technicians of our own country and other advanced countries teach the less developed regions to produce more for their own needs.

Thus it is not surprising to find a condition of great flux in American agriculture today. Uncertainty and uneasiness are always present when great changes and new challenges are being approached for the first time.

And, on a less ethereal plane, we must recognize that confusion tends to be agitated rather than ameliorated in an election year.

My listeners may take their choice in assigning responsibility -- either to confusion or partisanship -- for some of the following assertions, which are distressingly current:

"The interests of the farmer are being subordinated."

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"Agriculture is losing its influence."

"The Administration, for political reasons, has written the farmer off and is competing for consumer votes."

I have even heard it said that the Secretary of Agriculture has forsaken the farmer. Let me tell you ... as a source close to the subject ... that this is like saying Koufax and Drysdale will represent the Dodgers' management next year in wage negotiations.

These, obviously, are absurdities. But there is also a deep undercurrent that stems largely from a lack of understanding ... from an information gap that produces the urban view of agriculture in America and the way the farmer sees the challenges which he knows await the productive capacity of the land he farms.

Consider how the farmer has seen and now sees himself presented to an urban America. For nearly a decade and a half, the city press, radio and television, and the national magazines generally held the farmer synonymous with "surplus and subsidy." The farmer long has accepted the cracks about "putting my flower box in the soil bank" from the well fed urban dweller.

But six months ago, when the city press awoke to find the surpluses nearly gone, the farmer found that he had become associated with a new term -- "inflation". Now that he had licked the surplus problem and had gained slightly better prices and a good boost in income, many of the same people who once charged surplus and subsidy were now accusing the farmer of inflation.

The farmer can understand the housewife's concern over food prices. Many farm wives today buy their food in the supermarket just like the wife of

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the factory worker, and both wish that food would take less of the family budget.

But the farmer also is aware of some facts which the urban family is not often told. Facts which rip off the "easy" labels:

- \* Surplus.

- \* Subsidy.

- \* Inflation.

These are the facts:

Farm prices in 1965 were 14 percent below their level in 1952. This is true even with the improvement in prices since 1960. Farm prices -- and farmers -- have contributed to price stability. Farm prices are not inflationary. Instead of helping to boost the cost of living, they have held it down.

If farm prices of food products had increased since 1952 to the same extent as all other products, the housewives of America in 1965 would have spent over \$7 billion more for food than they did. This means that American families have \$7 billion more to spend on other things.

The cost of food, in terms of the average family income, is lower today than ever before. As a nation of consumers, we spend only a little more than 18 percent of our take-home pay for food -- compared with about 20 percent only five years ago. Even with higher meat prices today, the average factory worker can buy more beefsteak today with an hour of labor than in 1960.

Net farm income this year will top \$15 billion -- the best year since 1947 and 1948. While this level represents a 44 percent increase in income per

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person on the farm (since 1960), it is sobering to realize that the average farmer this year will earn only two-thirds as much as the person off the farm.

Farmers, as a group, are the biggest consumers in the nation. They consume annually more than \$30 billion in goods and services -- fertilizer, machinery, gas, electricity, and/or items of production.

Agriculture contributes more than any other industry to the U.S. position as a leading export nation. Farmers account for a fourth of total U.S. exports, and in the past five years have increased the dollar volume of farm exports by more than half.

So this is a brief recapitulation of American agriculture as it is, and as the farmer knows it to be. But, unfortunately, it is not generally the picture of U. S. agriculture that the urban consumer has had framed for him up to now.

But, as a pulse-taker of some experience, I see strengthening evidence, almost daily now, that the city dweller is beginning to view the agricultural picture in a new light. Not only the city dweller, I might add, but governments all over the world -- governments that include our own.

Policymakers in our government ... dealing daily with Kennedy Round negotiations, with the Common Market, with international commodity agreements, with India, with Viet Nam, with a host of hungry countries and regions ... have come to recognize that agriculture is not a relic of the past, dwindling in scope and importance, but a subject of vibrant concern even to the industrialized nations of Europe, just as it is the "gut" issue -- literally -- to the hungry peoples of the food-deficit regions of the world.

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And I think that many of you newsmen have come to a new realization that world hunger and expanding populations and food production and economic development are intertwined and vital to national and international policy ... and, yes, to the very existence of people and to peace among men ... and thus an important story to tell.

Our domestic agriculture has an impressive story to tell, too. Five years ago, the American people wondered if mountainous surpluses of wheat, corn, grain sorghum, and other commodities could ever be mastered. Today, those surpluses have all but disappeared, and, looking into the future, we have had to ask for some production increases in order to maintain adequate reserves. To this end, already, we have taken recent actions that will result in larger production of wheat, soybeans, and dairy products.

Given generally favorable weather in the 1966 growing season, farm output promises to be at record levels. Farm prices are stronger today than at any time in the past six years. Moreover, we now have -- with passage of the Food and Agriculture Act of 1965, which was the end product of five years of struggle -- a major legislative tool for use in achieving balanced production and improved farm income.

Last week's announcement of a 15 percent increase in the 1967 wheat allotment was an example of the new flexibility and adaptiveness of our great agricultural production plant. With this adjustability, we are able to use land or to conserve land, as domestic and export requirements demand ... and we can do it without accruing costly surpluses to burden the taxpayer and depress farm income.

As a result, the outlook for the American farmer -- who in the past was ever the low man on the economic totem pole -- is the brightest within memory.

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Concurrently, events around the world have made it increasingly and dramatically clear that agriculture, far from being relegated to an inferior status, stands front and center on the global stage.

To put it simply, the world is in a race against famine -- the awesome grindstone of too many people against too little food -- and the American farmer holds the key to whether there will be time enough to avoid disaster.

The American people often take agriculture for granted -- and forget that they live in a world where most people are bound to an agrarian economy. Many of these people live and die knowing no other achievement than providing just enough food each day to sustain themselves until the next day begins.

But even this capacity to subsist is diminishing. For the past decade there has not been any large scale famine in the free world, but this condition has prevailed only because of the American farmer. His productivity, shared through the programs established by PL 480, has provided a safety valve to relieve the pressure of the food-population grindstone.

In recent months, however, we have witnessed in India how close these stones of famine have pushed together. One poor crop year has threatened that nation with the grim reality of famine, and only a massive commitment by this country to supply grain has helped to avert a tragedy. It is a unique event, for never before has one nation committed so large a share of its food producing resources to the welfare of the people of another country.

Thus India demonstrates that we do not have much time, as history

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is measured.

This shift has been gradual, so gradual that the warnings have been largely ignored by a world preoccupied with man's race into space and the dread of a cold war turning hot.

But in looking back over the past 25 years, the changes are more visible. A generation ago, North America was only 1 of 6 food exporting regions. Latin America was the leading export region, exceeding the combined total of North America, Africa and Asia.

Today, however, North America and Oceania -- Australia and New Zealand -- are the only consistent exporting regions. Latin America, plagued by a runaway growth in population, is struggling to remain self-sufficient. Eastern Europe, which exported 5 million tons of grain a generation ago, now must import some 14 million tons each year. Asia and Africa both must import food to live.

North America -- Canada and the U. S. -- have emerged as the bread-basket of the world. The Russian people, with biting humor, once called Khrushchev the world's greatest farmer because he could plant wheat in Kazakstan and harvest it in Alberta and Kansas.

North America exports over 60 million tons of grain a year, with the U. S. supplying about three-fourths of the total. We could easily increase the volume to over 100 million tons -- and the day may soon come when we must.

The implications of this shift in the flow of world food trade are both frightening and reassuring. If the power over food is the power over life and death, then food is an instrument of power as ultimate as the hydrogen bomb itself.

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Thus, the productive capacity of the American farmer has given the American people an instrument for world peace of enormous potential. We do not yet fully appreciate this fact. However, those nations aware of the threat of hunger now recognize the achilles' heel of communism is its incapacity to feed its people; and we are beginning to recognize food as a powerful instrument by which this country can demonstrate its dedication to works of peace and freedom.

This is the purpose and goal of the Food for Freedom program which President Johnson recommended this year to the Congress. With it, we will assist those countries seeking to develop an economy which will raise the standard of living of its people....by using our food supplies to avert starvation....and by providing technical aid and assistance to help them modernize their agriculture.

The President's strategy in the war on world hunger has three elements: We will use our food to buy time, we will help those countries where food is sent to modernize their agriculture and move along the road of economic development, and we will assist those countries to undertake more intensive programs in family planning. All three are essential to each other.

Let me emphasize that the tide we face is running swiftly. In the next 15 years the world must make room for another billion people, and fully three-fourths of them will be living in the regions already short on food.

I am confident that we can succeed, and I am grateful that the success of American agriculture enables us to make the effort rather than to sit helplessly in sorrow.

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No nation before us has faced so massive a challenge, for at no other time in the history of civilization has any nation possessed the capacity, skill and forewarning to undertake a responsibility as great.

This is the new dimension of effort -- the real challenge to abundance -- which the American people must accept.

We have shown that abundance can be managed....that food and fiber can be provided in unparalleled volume at fair prices....and that the farmer can earn a decent income for his labor and skill.

But that is only the first step. It is no more than getting our house in order. The second step will prove more difficult, for it will require that we sustain the productivity and the economic health of our agriculture while we apply it's power to the war on world hunger.

We have already begun to meet this challenge. Last week's wheat announcement by the President alerted both the farmer and the business and industrial complex which supports him to the job ahead.

The farmer now must lead this country in a lasting victory in the war on world hunger, and the danger I see is not that he lacks the capacity or skill....the danger is that an urban nation may find it more comfortable to look at agriculture in terms of easy cliches -- "surplus, subsidy, inflation" -- and fail to recognize the new dimension of effort that is required.

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C & R-ASE

As I was casting about for an appropriate opening thought for today's talk, a certain line kept running through my mind ...

The time has come to talk of many things ... The time has come to talk of many things.

There was something familiar about that line, and suddenly it came to me.

Remember "Through the Looking Glass," which most of us knew as "Alice in Wonderland"?

"The time has come," the Walrus said, 'to talk of many things.'"

The Walrus wanted to talk about shoes and ships and sealing wax, of cabbages and kings, and why the sea is boiling hot, and whether pigs have wings.

Now I really don't have much to say about ships and sealing wax and kings, but if I haven't said much lately about cabbages and pigs with wings, I have had recent occasion to comment on shoes ... and hide export quotas ... lettuce ... and fluttering pork prices.

And as for the sea being boiling hot, that holds no particular fascination for Secretaries of Agriculture ... who traditionally have a working familiarity with hot water.

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Address by Secretary of Agriculture Orville L. Freeman Before The Business Council, The Homestead, Hot Springs, Virginia, 11:30 a.m. (EDT) May 14, 1966.

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Seriously, today I do want to talk to you of many things, of things vitally important to you, to me ... and to this great Wonderland.

Like the lyrical Walrus, I want to talk to you of factory whistles and whippoorwills ... of manufacturing plants and meadowlarks ... and of their compatibility.

I want to talk about space-starved cities and job-starved countryside ... Of the dangerous paradox of 70 percent of our people living on 1 percent of our land ... of urban blight ... and of rural right to a more equitable share of our national prosperity.

I want to take direct issue with those who say the mass migration from country to city is inevitable, inexorable, and desirable ... and with those who predict that tomorrow's America should consist of a few huge megalopolitan complexes strung together by superhighways running through endless miles of empty land.

I say that this is not desirable. And I contend that it is neither inevitable nor inexorable.

And I'm hopeful that you, as Americans deeply interested in the welfare of our country, can be persuaded that it is folly to stack up three-quarters of our people in the suffocating steel and concrete storage bins of the city ... while a figurative handful of our fellow citizens rattle around in a great barn full of untapped resources and empty dreams.

I believe there is only one way to right the maldistribution of people and opportunity in America ... and that's by putting jobs where there is space ... in rural America.

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USDA 1486-66



We can help. But only you can put those jobs in the countryside. And that's why I am here today.

I'm here as a pitchman to sell you on the opportunities awaiting industry in rural America ... opportunities for you who represent business and industry to do right by yourselves ... and right by your country.

I'm here to argue that modern transportation and communication facilities, coupled with the ready availability of unemployed or under-employed trained and trainable rural labor, refute the traditional case for locating business and industry only in the big cities.

In today's America, few industrial plants need be more than an hour or so away from raw materials and sales markets, nor more than minutes away from power supply and manpower ... no matter where they are located.

The Federal Government, working in close cooperation with the States and local communities, can provide valuable assistance to those of you who wish to open new plants in the rural areas.

We invite you to come to us for whatever help you need ... and that help, as I'll detail to you, can be both substantial and significant.

But let me make something crystal clear at the outset so there will be no misunderstanding of what I have to say today.

We are not ... I repeat ... not encouraging "runaway" plants, industrial "piracy" or the exploitation of the job-hungry countryside.

We are not encouraging any industry to pack up, leave the city, and move lock, stock and barrel to the countryside.

What we are encouraging is the establishment of sound, new plants, either by existing businesses or new organizations, which can operate profitably in the countryside ... and promise rural Americans parity of income and opportunity.

Now let me examine for a few minutes what has happened in this Wonderland of America to turn it into a land of crowded cities and vacant countryside.

Just last week I hailed a new era in American agriculture.

I did this because it is now apparent that the days of burdensome surpluses are all but over, and a new era of the Ever-Normal Granary is all but here.

Just 5 years ago, we had on hand 1.4 billion bushels of wheat -- more than a full year's domestic commercial sales and Food for Freedom requirements -- and a new crop was about to be harvested.

Who would have believed then that in just 5 years such a tremendous supply of wheat would have been reduced to a point where the President and the Secretary of Agriculture could proudly announce, as we did last week, a 15 percent increase in wheat acreage allotments?

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I called the announcement of the wheat acreage allotment increase an example of the new flexibility and adaptiveness of our great agricultural production plant.

It is flexible. It is adaptive. For we have now reached the point where we can move millions of acres of land in and out of production with efficiency and economy ... and we can do it without huge, costly surpluses to gouge the taxpayer and depress farm income.

And how is farm income? The best in many years.

Gross farm income will be nearly \$10 billion more this year than it was in 1960.

Net income per farm will approximate \$4,600 in 1966, compared with only \$2,956 six years ago.

And the products moved into foreign markets from our farms will return 5 billion hard dollars this year ... a dollar sales figure more than 50 percent greater than in 1960.

And while the American farmer has been improving his own income by cooperating with the major farm programs of the past 5 years, he has continued to provide domestic consumers with abundant and varied diets for a steadily diminishing percentage of their takehome dollars.

Americans spend a lower percentage of their incomes for food than any other people on earth, a fact all of us should keep in mind in the current concern over inflationary pressures.

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USDA 1486-66

And so you see, we are well on our way to solving the farm problems which appeared so frustrating less than a decade ago ... And now it is time to turn our attention, and our efforts, toward brightening the entire picture of rural America today.

Let us see why this must be done.

In a relatively short span of history, the productive genius of the American farmer has allowed us to move from what was once basically an agrarian society to what is now basically an industrial society.

As the farmer began to produce more than enough for his own needs, some were freed for other pursuits. For as technological advances were made in agriculture, fewer and fewer farmers were required to feed more and more people. In our technologically-oriented society, we know this trend will continue.

In earlier times, this presented no great economic or social problems. Farmers left the land to move to the settlements and become artisans and tradesmen, merchants and teachers.

This was the beginning of the exodus from rural to urban America ... and in the beginning ... and for generations after ... it was a healthy trend, for the growth of the great urban areas was undoubtedly a key factor in the phenomenal economic development of this nation.

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We all know we must have healthy, thriving cities. We know that our economy could not exist without them. And we know that every effort must be made to strengthen the cities and cure their ills. For too many of our big cities are in deep, deep trouble.

Aristotle once said that people live in cities "in order to live the good life."

But President Johnson has said: "It is harder and harder to live the good life in American cities today."

And it will become even harder to live the good life in our cities unless the forced migration of millions of Americans from rural America to the urban centers is slowed, stopped ... and reversed.

By the year 2000, demographers tell us, 4 out of 5 Americans will live in metropolitan areas.

Two hundred and forty million people will live in 8.7 percent of the Nation's land area, while only 60 million will occupy the remaining 91.3 percent.

Imagine, if you can, American cities more densely populated than the most crowded countries in the world. Again, if the planners are right in their predictions, the average population density of the urban areas of the United States will be 774 people per square mile by the year 2000. Japan, crowded as it is, has only 672 people per square mile.

Plagued already by the multiple problems of too many people for too little space, how can our cities hope to keep pace if these predictions materialize?

My friends, we simply cannot afford, sociologically or economically, to continue to let all of the fall-out from the population explosion settle on our urban centers.

More people moving to the cities means more problems, more waste, more loneliness and more despair.

It means more smog in the air and more filth in the water. It means more traffic, taxing and education snarls, frustrations and failures. And it means more human demands against less human incentive.

Do we, as Americans vitally interested in the welfare of our nation, really want this?

Of course we don't.

Then what can we do about it?

Bev Murphy answered that in these words: "This picture of greater and greater population concentration is to me unpleasant and expensive, and, I would hope, not inevitable ... If jobs are available in the thousands of small towns and cities away from metropolitan areas, I think most of the people in these rural areas will not move. They will prefer to live in the circumstances in which they were reared."

Bev Murphy backs words with action. The Campbell Soup Company now has 20 of its 26 plants in rural areas, and he has told us the results have been splendid.

I am pleased by his report ... but not surprised. The Campbell Company's experience with rural locations is being duplicated with equally encouraging results by other large and small companies.

I say I am pleased, but not surprised, because I have all the confidence in the world that there is a "right" rural area for any industry looking to new sites for new plants or expansion.

Rural America has so much to offer business and industry.

It has the tangibles: clean air, abundant pure water, relatively low land costs, building costs, utility costs, and service costs.

Some areas offer additional tangibles. I speak of those responsible communities where, in the absence of industry, home owners and small businessmen have willingly shouldered heavy tax burdens to provide good schools and teachers for their children, to support the best possible police force, to carry out sound local welfare programs, and to build excellent community health facilities.

And I speak of those communities scattered throughout our Nation which have organized local development committees to work for new industry for their towns and to help industry find sites.

And then there are the other, perhaps less tangible, advantages offered by rural America. Freedom from congestion. Space to breathe. Space to live. Space to grow. Space to play. Space to drive and space to park. Recreational opportunities of exciting variety minutes from home and work. Community identity. Community pride.

Many Americans yearn for these blessings.

A Gallup poll published in March of this year revealed that while only about a third of the people actually live in small towns or rural areas, nearly half of all persons surveyed in the poll said that if they had their choice, they would like to live in a small town or on a farm.

Dr. Charles N. Kimball, president of the Midwest Research Institute in Kansas City, Missouri, recently declared that "many Americans would move away from the metropolis if given half a chance."

And so they would. But the catch phrase here is "given half a chance."

For the unpleasant truth is that for far too many years rural America has not been able to give its people "half a chance."

Despite its many blessings, the countryside traditionally has offered little but discouragement to widely disparate segments of its society--the gifted and well-educated...and the unwanted and untrained.



The gifted were unable to find the challenges and the opportunities their spirit and training required. The unwanted and the untrained were simply unable to find work to earn a bare livelihood.

Thus the exodus to the megalopolis. A steady stream of millions of young people with each passing year. Some in search of the mystical urban touchstone of success. Others, pushed aside by the technological revolution on farms and in mines, untrained for jobs in strange places, or the victims of racial discrimination, moved to the cities in desperate search for little more than food, clothing and a roof over their heads.

So you see, my friends of business and industry, that while rural America has much to offer you ... you have much to offer rural America.

It is my hope that you will help each other to your mutual benefit.

And it is my contribution to call to your attention, the tools "creative Federalism" can supply to help you help speed the economic development of rural America.

Encouraging this effort is not just the personal whim of the Secretary of Agriculture. It is a national effort spelled out by President Johnson when the Rural Community Development Service of the Department of Agriculture was born a little more than a year ago.

"It is not easy," the President said, "to equitably distribute Federal assistance to a scattered rural population... A method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas."

The President then urged each Department and agency of government to make sure its programs reached both urban and rural areas on equal terms.

The President also directed the Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas.

The Rural Community Development Service now maintains a continuing liaison in Washington with all Federal agencies offering services which can be used in rural America... and it uses the Department of Agriculture's field staff to carry to community leaders information about the full range of Federal services, the relationship of one to the other, and the procedures for achieving their use.

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As we have sought to help rural America develop a broader range of economic and social opportunities, we have learned that many smaller communities -- working alone -- cannot muster enough of the skills and capital resources required to effectively help themselves, or even to avail themselves of State and Federal assistance.

To meet this problem, the President this year proposed legislation which would create Community Development Districts. Already approved by the Senate, and now before the House Agriculture Committee, this proposal, if enacted, would lean heavily upon the planning and development agencies of State government for effective implementation.

One of its major purposes is to help rural communities which are linked together in a natural commuting pattern to pool their skills and resources to develop a physical, social and public service environment which would be more attractive to industrial, business, and personal service institutions.

These programs, and a new program I will introduce to you today, supplement the Rural Areas Development effort which since its inception in 1961 has mobilized more than 150,000 rural leaders to work to create new job opportunities and improve rural living conditions.

These leaders have organized and promoted no less than 20,000 projects -- projects ranging from industrial parks which bring new jobs to communities, to the construction of community facilities to make these communities more attractive to industry.



And now I want to announce the establishment of an even more specific program to hasten the economic development of rural America ... and I can think of no more appropriate forum to make this announcement.

The Department of Agriculture is now ready to launch a Rural Industrialization Program which I am confident can make a valuable contribution to the well-being of our entire Nation.

Through this program, we hope to bring the profit opportunities in America's smaller communities to the attention of industry.

To help businessmen investigate that potential, the Department's Rural Industrialization staff will consult with businessmen ... in Washington or in their own offices.

Whenever asked, we will also serve as liaison in arranging whatever financial and technical assistance is needed.

To promote this program, we are preparing a brochure which will spell out the advantages for industry in the countryside, and will detail the Federal, State and local assistance available to industry.

This brochure discusses rural labor pools, details the training programs financed by the Government, offers specific information on Federal, State and local industrial financing programs, discusses industrial sites, water, natural resources, and transportation facilities available in rural areas, and specifically describes how the United States Department of Agriculture can help businessmen open new plants in rural areas.

I hope you find it interesting and informative.

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In summary, then, let me quickly review the problem... and the potential solution.

Three-quarters of our people are jammed onto 1 percent of our land... and still the migration to the cities continues.

The problems and the costs of the cities will continue to increase until that migration is stopped.

Without opportunity in the countryside, the farmers who are no longer needed in an agriculture in technological revolution, the well educated of the towns and small cities, and the unwanted and untrained will continue to move to the cities.

To keep people in rural America, opportunities must be created for them.

Specifically, jobs must be provided.

You who represent business and industry can provide those jobs, and, at the same time, serve the best interests of your country by helping to cure both the ills of the countryside and the ills of the city.

I have tried to spell out the advantages of industrial expansion in rural America, and our new Departmental program to encourage rural industrialization will continue that effort.

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We want you to be aware of the acres of choice industrial land which will accommodate your present needs and future expansion, help improve service to regional and local markets, service growing new markets created by an expanding and mobile population... and at the same time reduce operating costs.

We want you to know that most rural communities have an abundant supply of water for industrial needs and recreational pursuits or developments, a ready source of industrial fuel and power, access to rail, highway, air, and in some cases water, transportation facilities, and a ready-made labor pool of skilled and trainable people.

We want you to know that there are three broad classes of training programs financed by the government to train workers for new and existing plants.

We want you to know that an economically healthy rural America, a rural America which provides jobs and opportunity, can offer you and your workers convenience, contentment, serenity, pleasure and that personal fulfillment and enrichment which comes to those in close accord with Nature.

We want you to know that "creative Federalism" is working to make the small communities of our Nation better places to live, to work, to produce and to play.

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And we want you to know that all of the considerable resource assistance of the Federal government is at your disposal in any effort you make to bring more economic opportunity to rural America.

If we cooperate. If we work together. If we pool our resources, then the day will come, gentlemen, when meadowlarks fly over manufacturing plants, and the call of the whippoorwill will blend with the cry of the factory whistle.

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It is a rare privilege to be a part of a conference presented jointly by two institutions that are close to my heart.

One my alma mater.

The other an institution where I am engaged in a kind of post-graduate program in the economics and politics of food and agriculture.

From the one I have two degrees. From the other I have no degree, but I have a liberal education in the economics and politics of food and agricultural policy. And the battlescars to prove it.

The politics of the stomach have a special urgency in this world of the 1960's. We are living in a time in which the cumulative food problems of centuries have now telescoped themselves into a few short years of challenge and opportunity.

This makes especially timely this conference on agricultural export trade. And it is especially significant that it should be held in the Upper Midwest -- whose stake in world trade is now proportional to its importance as a farm producer.

For years, Minnesota, Iowa, Wisconsin, North and South Dakota and Montana have accounted for a fifth of all farm products marketed.

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Address by Secretary of Agriculture Orville L. Freeman at the Upper Midwest Conference on Agricultural Export Trade, Capp Towers Hotel, Minneapolis, Minn., Wednesday, May 18, 1966, 7:00 p.m. (CDT).

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This fiscal year they are expected to account for about a fifth of all our farm exports -- and this despite the fact that this is an inland empire far removed from salt water harbors.

In 1966, these states will have just about doubled their total farm exports in a half dozen years.

We now think farm exports will reach \$6.7 billion this fiscal year, a figure nearly 50 percent above that of 1960. Large increases in exports of wheat, soybeans, and feed grains -- much of these shipments originating from the Upper Midwest -- will make this possible.

The expansion of farm exports from this area is especially gratifying to those of us who were in the thick of the battle for the St. Lawrence Seaway back in the 1950's. The total growth of trade since 1959, when the Seaway was opened, bears out our old contention that the Seaway would boost the economy throughout the Upper Midwest while doing no harm to other ports or carriers.

We are also proud of the St. Anthony Falls project, which created the locks that now bring barges right into downtown Minneapolis for the shipment of grain down the Mississippi River. Duluth-Superior, Milwaukee, and other cities to the east, are due a great deal of credit for their harbor work and promotion of international trade.

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The growth of our agricultural exports is an exciting accomplishment from which we can take both satisfaction and stimulation to do even better.

Since fiscal 1960, our total exports of feed grains have more than doubled, based on estimates for the current fiscal year -- rising from 12 million to 25 million tons.

Wheat exports have almost doubled in that time, increasing from 509 million bushels to 875 million bushels.

Soybeans have had a comparable rise -- from 132 million bushels to 250 million bushels.

And exports of oilcake and meal exports have more than tripled -- from 867,000 tons in fiscal 1960 to an estimated 2.9 million tons in the current fiscal year.

With our total exports up sharply since 1960, we now expect that the current level of \$6.7 billion could well grow to \$8.0 billion worth in 1970 ... and could rise to more than \$9.0 billion by 1980.

Another encouraging sign ... and one that reflects the success of the sales programs of government and industry, including trade groups here in the Upper Midwest ... is the fact that sales for dollars are becoming a bigger part of the export total.

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Just a few years ago, dollar exports accounted for a little less than 70 percent of the total shipments.

In this fiscal year, we estimate that dollar sales will be about 75 percent of the total. So dollar sales are now accounting for a larger share of a larger total.

Our success in moving farm products into export for dollars is making a crucial contribution to our international trade balance.

A review of what has taken place in the first 9 months of this fiscal year -- through March -- shows some very interesting things.

Our agricultural trade balance is up 10 percent over the same period the year before, Our balance of farm exports over farm imports amounted to about \$1.7 billion ... compared with something over \$1.5 billion a year earlier.

Meanwhile, the non-agricultural trade balance was down 25 percent. Our balance of non-agricultural exports over non-agricultural imports was \$2.3 billion -- compared with \$3.1 billion the year before.

We can take pride in the fact that our success in expanding farm exports not only has benefited our domestic economy, it has helped maintain the strength of the American dollar throughout the world ... for the rise in farm exports has softened to a considerable extent the decline in our total trade balance recorded the past nine months.

One of the measures of this accomplishment is that the expansion of farm exports has exceeded the most optimistic expectations of a few years ago.

An export policy statement prepared by the Department just a few months before the inauguration of President Kennedy estimated that by fiscal 1965 our total agricultural exports would climb to \$4.7 billion. Our actual farm exports in 1965 were \$6.1 billion.

It was estimated that sales for dollars would rise to \$3.5 billion in fiscal 1965. Our actual exports for dollars turned out to be a billion dollars higher than that, and are now even higher.

This 1960 prediction also said that in 1965 we would export 425 million bushels of wheat. We actually exported 715 million bushels of wheat in 1965.

It was estimated that in 1965 we would export  $11\frac{1}{4}$  million tons of feed grains. We actually exported 18.1 million tons.

It is even more revealing to consider the estimates that were made in 1960 for ten years ahead -- that is, for 1970.

Forecast for that year was a total of \$5.2 billion in farm exports -- with \$4.2 billion of this to be for dollars.

We have already made a shambles of those estimates. Within three years we had leaped far beyond ... and we are now cruising at \$1.5 billion above the 1970 target and determined to continue moving upward.

This, then, is a tremendous success story.

But we aren't satisfied. This Export Conference bears witness to that. We have only begun our story of trade expansion.

Every participant in this conference has come both to learn and to teach. And what we learn we will put into practice to further expand trade, building in the process a better America and a better world.

For my part, I want to express my pride, my appreciation and my confidence ... pride in the great export record of the Upper Midwest, appreciation for your participation in this conference and your leadership in expanding trade, and confidence that progress will come even faster in the last five years of this decade than it has in the first five years.

Many, many people and institutions can rightly claim a large measure of credit for the progress made in expanding agricultural exports. But the American farmer -- with his productive and management wizardry -- is the giant genie who is chiefly responsible for this latter-day miracle.

After all, the first step in the export process is to have something to export. And the American farmer has given us that "something" in rich and desirable abundance.

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North America -- the United States and Canada -- has emerged as the new breadbasket of the world.

This continent now exports over 60 million tons of grain a year, with our country supplying three-fourths of the total.

We could easily increase that to 100 million tons ... and the day may soon come when we must.

I say this because the world is now engaged in a desperate race against famine, against the awesome prediction that the accelerating global population can outrun global food production capacity within the next several decades ... unless something is done immediately to change the odds to favor mankind.

The American farmer holds the key to whether there will be time enough to avoid disaster.

Today, he is being asked to undertake an entirely new dimension of effort abroad. A large measure of hope for peace in the world depends upon his ability to furnish food for restless, hungry people ... to buy time while scientists and agricultural technicians of our own country and other advanced countries teach the less developed regions to produce more for their own needs.

The American farmer is the keystone in the arch spanning the seas between the bounty of the United States and the needs of the food-short developing nations.

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He is the most important figure in the Food for Freedom program which President Johnson recommended this year to Congress. For with his productive genius, we will be able to assist those countries seeking to develop an economy which will raise the standard of living of its people ... by using our food supplies to avert starvation ... and by providing technical aid and assistance to help them modernize their agriculture.

There are three elements in the President's strategy in the war on world hunger: We will use our food to buy time, we will help those countries where food is sent to modernize their agriculture and move along the road of economic development, and we will assist those countries to undertake more intensive programs in family planning. All three are essential to each other.

In the next 15 years the world must make room for another billion people, and fully three-fourths of them will be living in the regions already short on food.

Only the continuing success of American agriculture enables us to make the Food for Freedom effort ... rather than sit helplessly by in frustration and in sorrow.

No other nation has faced such a crucial challenge, for at no other time in history has any country possessed the capacity, skill and forewarning to assume a responsibility so great.

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The farmer now must lead this nation to a lasting victory over world hunger.

I am confident he can do it, because I know he has the capacity and the skill to do it.

But I also know he needs more than skill and capacity. He needs the understanding of urban Americans. He needs their appreciation and recognition of the new dimension of effort that is required.

To develop that understanding, to encourage that appreciation and recognition, urban Americans must learn what the American farmer has done for them and for the world in the years which have served as prelude to the great new global challenge.

Five and a half years ago, when I went to Washington, the challenge was to find some way to live with what some people thought was a too-productive agriculture ... to learn how to enjoy its blessings without drowning in its excesses.

Five and a half years ago, too many urban Americans looked upon the farmer as a mendicant producing unwanted glut for public alms.

Five and a half years ago, the American people wondered if mountainous surpluses of wheat, corn, grain, sorghum, and other commodities could ever be mastered.

And everywhere he turned, the farmer was labeled with "surplus" and "subsidy," and took the brunt of such quips as "Can I put my flower box in the soil bank?"

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How times have changed!

Today, those surpluses are all but gone, gone to the point where we have had to ask for some production increases to maintain adequate reserves. To this end we have already taken action that will result in larger production of wheat, soybeans, rice, and dairy products.

With favorable weather, the 1966 farm output promises to be at record levels. Farm prices today are stronger than at any time in the past six years. And we now have, with the passage of the Food and Agriculture Act of 1965, a major tool for use in achieving balanced production and improved farm income.

The recent announcement of a 15 percent increase in the 1967 wheat allotment was an example of the new flexibility and adaptiveness of our great agricultural production plant. With this adjustability we are able to use land or to conserve land, as domestic and export requirements demand, and we can do it without accruing costly surpluses to burden the taxpayer and depress farm income.

As a result, the outlook for the American family farm is the brightest in many, many years.

On the face of it, the farmer should be in admirable economic and productive position to assume his great new role as global provider until the developing world catches up in food production skills and capacity.

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He is. But as he stands on this threshold of a great new dimension of effort, he needs one more incentive -- a vote of thanks and a word of encouragement from urban America.

Is he getting this incentive? I would have to answer that question "Yes and No."

I see evidence, almost daily now, that the city dweller is beginning to view agriculture in a new light. Not only city dwellers, I might add, but governments throughout the world -- including our own.

Dealing daily with Kennedy Round negotiations, with the Common Market, with international commodity agreements, with Viet Nam, with India, and with many hungry nations, the policy makers in our government have come to recognize that agriculture is a subject of vibrant concern not only to the food-deficit regions of the world, but also to the industrialized nations of Europe.

The news media, too, are coming to a new realization that world hunger and expanding populations and food production and economic development are intertwined and vital to the very existence of mankind and to global peace ... and thus constitute an important story to tell.

All of this is encouraging, but we still have a ways to go.

Confusion and political partisanship still contribute to a continuing, and unjust, belaboring of the American farmer and those who speak for him.

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For almost 15 years the farmer understandably chafed under the "easy" labels of "surplus" and "subsidy" attached to him by the unthinking.

Now, with surpluses nearly gone, yet abundance still a reality, he finds himself accused of being the main cause for the current inflationary pressure. He is told that the "interest of the farmer are being subordinated," that "agriculture is losing its influence," that the Administration, for political reasons, "has written the farmer off and is competing for consumer votes," and even that the Secretary of Agriculture has forsaken the farmer.

Facts rip off "easy" labels, and here are the facts:

Farm prices in 1965 were 14 percent below the 1952 level, this despite virtual across the board increases in other prices. Instead of being inflationary, farm prices have helped hold down the cost of living. If farm prices of food products had increased to the same extent as all other products since 1952, the housewives of America would have spent \$7 billion more for food in 1965 than they actually did.

The cost of food, in terms of average family income, is lower today than ever before. We spend only a little more than 18 percent of our take-home pay for food, compared with about 20 percent five years ago.

Net farm income this year will climb above \$15 billion -- the best year since 1947 and 1948. Since 1960, there has been a 44 percent increase in income per person on the farm. While this is an impressive gain, urban Americans should realize that the average farmer this year still will earn only two-thirds as much as the person off the farm.

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As to the charges that this Administration is forsaking the farmers, I say look at the record. Look at the record of four major farm bills passed into law and effectively activated. Look at the record of steadily increasing farm income, stable food prices, diminishing surpluses and abundance. Look at an Administration and a Department of Agriculture proud of these accomplishments -- but determined not to rest on any laurels until the farmer of America achieves what is rightfully his -- full parity of income with the rest of this great nation.

Finally, I would like to call our urban American friends' attention to the fact that agriculture contributes more than any other industry to our position as a leading export nation. Farmers, alone, account for a fourth of total U. S. exports.

Their productive capacity is such that they will be able to meet increasing demands for U.S. commercial exports and the needs of the Food for Freedom program, while continuing to meet the "full stomach" demands of a domestic marketing enjoying unprecedented prosperity.

This sensational production record will, I hope, in the days ahead get the praise and recognition it has earned.

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With Americans eating just about what they want to eat -- the opportunity to move food into stomachs is expanding only as rapidly as the number of stomachs increases. In other words, the domestic market will grow only as population grows.

This means, then, that exports offer the best opportunity for expanded marketings in the near future. Exports already bring in one dollar out of every six that the farmer gets for his marketings, and we have now projected possible increases for the next few years.

I sincerely hope that we can exceed these goals.

One of the ways to do this is by being sure that the quality of our products always measures up to the standards expected of a great trading nation.

Another is to be sure that we are not pricing ourselves out of world markets. Increasingly, our domestic farm programs are being tailored to permit U.S. commodities to move into trade at the world price -- while providing such other means as may be needed to maintain the incomes of our own farmers.

Another important goal is to work constantly to maintain and create access to the markets of the world -- and especially to those markets that we have traditionally supplied. Here we include our very important customer, the European Common Market.

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Finally, we can win and hold customers around the world through old-fashioned Yankee salesmanship -- such as we are pursuing in cooperation with trade groups in many commodities.

I know of the energy and drive that exist here in the Midwest -- and I want to urge the exporters in this audience -- and those who are potential exporters -- to move into world markets with the greatest possible zest and spirit.

The world never has enough of the things the Midwest has to sell: Ideas and imagination. Traditions of quality and service. The raw ability to produce. All the vigor of a vast new land which hasn't really had its muscles tested.

The interest and energy apparent in this Export Conference can be a real stimulus to international trade. I know from my own six years in the Governor's chair not far from here that the people of this area -- when aroused -- can accomplish great things.

Midwesterners may be new to the sea -- but they are not new to adventure and enterprise. From Minneapolis and Green Bay and Des Moines, you can now look out to far horizons -- where the future is really unlimited.

I wish you well - Go to it!

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It is an honor, as well as a pleasure, to be with you here today.

I consider it an honor, because I came away from Vietnam several months ago with a vivid impression of the quality of the people in your organization...and with the effectiveness of your work in that troubled land.

Since then, I have learned even more about you, and today I salute the IVS volunteers as unsung heroes of our foreign service.

In your work overseas, you are disseminating know-how and demonstrating democracy while you bring to forgotten villages the hope that comes with friendly encouragement...and practical advice.

Working as you do, in remote areas far from the seat of political power, you may miss the spotlight and the headlines...but you get the job done.

Perhaps agricultural progress is not as dramatic as a doctor curing malaria or an engineer building a dam. But your efforts to build agricultural institutions in the developing nations are laying foundations for economic and political progress in those countries.

As most of you are aware, no developing nation can expect to build a viable economy without a sound agricultural program to feed it.

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Remarks by Secretary of Agriculture Orville L. Freeman to the Board of Directors of the International Voluntary Services, Mayflower Hotel, Washington, D.C., 1 p.m. (EDT), May 25, 1966.

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Food is the basic requirement for life. Yet 85 percent of all the people in Asia, Africa, and Latin America have inadequate or unsuitable diets for good health. More than a billion and a half people in these areas are undernourished.

And prospects for the future, unless something is done now, are even more ominous. By the end of this century, the number of people living in these three regions is expected to more than double. To feed this increase of nearly 3 billion people, the developing nations will need as much additional food as is now produced by all the farmers in the world.

Clearly, increased agricultural production is the key to global survival. But what is the formula? How do we find the key to fit the lock to the storehouse of food which we know we must have?

In the past, the way to boost food production was to open new land to cultivation. But that day has passed. Good farm land is becoming ever scarcer. India, for example, hopes to increase farm lands only two-tenths of 1 percent per year...while its population is increasing at a rate of 2 percent a year--ten times as fast.

Then how? If tillable land is all but gone, how do we increase production? By increasing the output of food per acre.

This is an easy answer, and the right answer, but there's a catch.

To increase yield per acre requires widespread know-how of modern agricultural techniques and widespread use of the tools of modern agriculture...neither of which the developing nations have in significant amount.



How do we give the developing nations the agricultural know-how it took us years to learn in the short space of time remaining before global population outstrips food production?

Your International Voluntary Services organization has given us part of the answer. We must bring that know-how directly to the farmers of those nations. And you have been doing just that.

But even your efforts, valiant and commendable and indispensable though they be, are not enough.

For the people-food crisis is of such terrifying magnitude that its ultimate resolution requires a massive application of all the American resources we can muster.

I think we have found the implement for that massive application. Now moving to passage in the Congress of the United States is the Food for Freedom bill, an extension of Food for Peace, with innovations completely in harmony with the new flexibility in American agriculture which allows us to move millions of acres in and out of production with efficiency and economy.

Food for Freedom immediately faces up to a fact we can't ignore.

The United States, for all its vaunted abundance, cannot feed the world.

No matter how much we produce, it will not be enough to keep pace with the global population explosion more than a few short years.

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There is only one answer. The developing nations must increase their own rate of agricultural production...and in most instances they must do it by increasing yield per acre.

If the experts are correct, these nations must boost their current rate of increase of  $2\frac{1}{2}$  percent a year to at least 4 percent.

The higher rate, we are told, would meet the demands of population growth, and would allow for gradual improvement in desperately low per capita food consumption and nutrition.

There are many obstacles to achieving such increases. We know the peoples of those nations need income incentives. They need fertilizers, pesticides, improved seed, irrigation systems. They need economic and political stability in their governments. They need education, technical training, and technical assistance. They need adequate supplies of credit at reasonable rates and terms. They need better marketing and transportation systems, and effective and progressive programs of agricultural research.

But most of all, they need the will to help themselves...for without that all else will fail.

It can be done. Our studies show that. Twelve of the developing nations achieved that 4 percent production increase between 1948 and 1964.

With the help the Food for Freedom program will offer, we can expect even more of these nations to reach that goal, for Food for Freedom will buy them time by providing them with food aid, technical assistance, and encouragement, while they concentrate upon improving their own agriculture.

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You of the IVS have pioneered the self-help concept so important to the success of the Food for Freedom program...and so crucial to world survival.

Through your efforts, you have opened villagers' eyes wherever you have gone. You have shown them how they can help themselves build a better life.

But they need time to learn those sometimes strange and sophisticated techniques of agricultural production...and they must eat while they are learning.

Food for Freedom has as its express purpose the deliberate use of the agricultural potential of the United States to relieve hunger, malnutrition, and want throughout the free world...and it does not, as the Food for Peace program did, limit our relief to the distribution of surplus food and fiber.

The new era of American agriculture, with its flexibility and adaptiveness, now makes it possible for us to feed the hungry of the world during that interim period through our excess acreage -- and not with just our excess production.

This means that we can key our production to what is needed overseas, instead of keying our humanitarianism to what we have in over-supply.

It is this very flexibility which distinguishes Food for Freedom from Food for Peace, for now we can grow ~~what~~ the hungry nations need, whereas before we could send them only what we couldn't use.

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This also means that we can avail ourselves of the greatest opportunity in history to expand foreign markets for our exports of farm and factory products. For we know that as developing nations increase their own agricultural production, they strengthen their entire economies. And as they strengthen their economies, they can buy more of what we have to sell.

Yours is known as a humanitarian organization. Yet too few Americans appreciate your importance to the American economy.

I view your volunteers not only as humanitarians, but also as pioneers in building world trade. For you are showing farmers of the developing lands how to produce more and earn more. And as the farmers of those lands increase their yields and increase their incomes, they will want to buy more American goods.

Hungry people in those countries will want and need the products of American farmers until they can provide for themselves. In the first 10 years of our Food for Peace program, we shipped abroad \$15.4 billion worth of U.S. farm products.

These people would buy more U.S. farm products if they could. Only the limitation of cash resources stands in their way. If the average annual income of individuals in these nations could be increased by only \$100, their combined imports of U.S. farm products would, it is estimated, go up more than \$1.5 billion each year.

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We know that for every 10 percent increase in incomes in developing nations, we can expect their imports of our farm products -- on commercial terms -- to increase by 16 percent. We have seen it happen in Greece, in Taiwan, in Spain, in Israel, and in Japan. And we expect that someday it may well occur in the very countries where your gallant volunteers are now serving.

The key to social and economic progress throughout the free world is to provide all the encouragement and all the food, materials, and technical assistance we can muster for the developing nations during those years they will need to build up their own agricultural production -- and their own national economies.

The contributions already made by the IVS in providing encouragement and assistance are invaluable, for they have laid the groundwork for the massive national effort which lies ahead.

Your official relations with the U.S. Department of Agriculture have been most rewarding. The recently phased-out conservation program in Algeria, which used Soil Conservation Service technical skills, IVS enthusiasm and supervision, and Food for Peace commodities to pay Algerian laborers, was an excellent start for continuing cooperation between USDA and IVS.

I am hopeful that our new USDA-AID extension program in Vietnam can mean another cooperative venture between AID, USDA, and IVS. We are now recruiting 20 to 30 county agricultural agents for service in Vietnam, and I would like to see them working closely with your volunteers.

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Now, with the Department of Agriculture taking on new and broader responsibilities in the field of international agricultural development, our respective organizations will, I'm sure, meet and work together with increasing frequency at points throughout the hungry regions of the world.

We in USDA look forward to continued cooperation with your excellent organization.

I salute the fine work you've already done. I express my personal regret that you may not have received the full credit you so richly deserve. And I wish you the best of luck.

Thank you for the opportunity to meet with you today.

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Just a few weeks ago, the President of the United States announced that the acreage allotment for wheat had been increased 15 per cent, allowing farmers to plant an additional 7.7 million acres this fall and next spring for harvest in 1967.

This announcement followed earlier actions to increase acreage for rice and to stimulate more production of dairy products and soybeans.

The full significance of this may have been lost to some at the moment, but I am sure that in the months and years ahead we shall all come to recognize and appreciate its meaning.

At the time the President made the wheat announcement, I heralded it as the dawn of a new day in American agriculture... the ushering in of a promising new era when the land itself will be both our food production reservoir ... and the means to enhance the environment of the American people.

Today, I am here to announce the launching of Greenspan, a program to turn excess crop land into needed recreation land -- converting it from a use in surplus to one in deficit supply.

The President's wheat acreage announcement, and the inauguration of Greenspan in Newark today are not unrelated. Indeed, both are integral factors in the realization of the new day in American agriculture.

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Remarks by Secretary of Agriculture Orville L. Freeman at signing ceremonies for the first "Greenspan" agreement under the Cropland Adjustment Program in Newark, N.Y., Thursday, May 26, 1966, 11 a.m. (EDT). The agreement between the Village of Newark and the U.S. Department of Agriculture provides for assistance in shifting an area of cropland into a village recreation center.

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On this occasion, I propose to briefly outline how these two events, each contributing so much to better use of our precious land, herald a bright new day for American farmer and non-farmer alike.

The increase in permitted wheat planting next fall and spring is vital evidence of the new flexibility and adaptiveness of American agriculture.

When I became Secretary of Agriculture a little more than five years ago, we had 1.4 billion bushels of surplus wheat in storage...enough to meet a full year's commercial sales demand and our Food for Peace program requirements.

This heavy surplus wasted the taxpayer's dollar and deflated the farmer's market, thus hurting the entire economy.

I said then that we ought to have a food budget linked to national and international needs...that we ought to have a program which would allow us to produce what we needed and what dependent nations needed in order to help themselves...that we ought to be able to move our land in and out of production in response to those needs, instead of piling up costly surpluses.

Today, I am happy to say we have accomplished those goals.

How was this done? It was done through the leadership of two great Presidents and through years of work by farmers, the Department of Agriculture, and the Congress which resulted in legislation which encouraged farmers to take unneeded land out of production and put it into conservation.

And it was helped by the aggressive promotion of American wheat in dollar export markets. For the success of this promotion helped reduce our oversupply, and at the same time contributed importantly to the United States balance-of-payments.

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Today, the American taxpayer is paying \$200 million a year less than he paid five years ago for the storage of surplus grain. This amounts to a total savings of \$1 billion over that half-decade of time.

Now, with costly surpluses all but gone, we can use the land itself as our food reserve, calling millions of acres back into production service whenever our domestic needs or our global obligations require it.

We will continue to store needed reserves in warehouses throughout the nation, but we will store only short-term reserves from now on, for the day of mountainous stockpiles of grain is past...we hope never more to return to gouge the taxpayer and depress farm income.

When our reserves are adequate, our excess acreage will be placed in conserving use, there to replenish itself for a time when it might be required to produce even more abundantly.

And when additional production is called for, we will summon back into use those acres we need...to grow what we want.

And best of all, my friends, we will now be able to move land in and out of production with efficiency...and economy.

The launching of Greenspan here today epitomizes the second aspect of our new land policy, for here we turn our attention to another use of our land abundance...the creation of a better environment for our people.

One of the literary giants produced by my home state of Minnesota was Sinclair Lewis. His first successful novel was in part a caustic and controversial criticism of the environment provided by the small towns and cities of America.

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I would like to have Sinclair Lewis here today to witness what to my mind is a ceremony symbolizing one city's desire to make itself more desirable and attractive...to provide a better environment for its citizens of today and its citizens of tomorrow.

Lewis' blanket indictment of Main Street of 1920 may well be put down as poetic license, but in any case we could show him that Main Street in the 1960's is on the move. Newark is testimony to that.

I recognize that the event we are observing today is not the first step you have taken in this direction. There are many signs of progress in business and industry and education in your town. You can be proud of the growth you have achieved...and of the enviable combination of agricultural, industrial and educational resources that your economy represents.

Today marks another landmark because it sees the completion of an agreement between Newark and the Federal Government to turn cropland into recreation land.

It is the very first agreement under a new program that has great promise.

This project and this program are part of a rather new idea in conservation--the idea that conservation must include more than just the preservation and use of our economic resources. This "new conservation" says that--as populations grow and people live in greater and

greater concentrations--we must consider the total environment and not just those values that can be measured in dollars and cents.

When we consider the total environment, we must consider what conservationists in a recent national conference called the "vulnerable" values. These values--including wildlife, the beauty of nature, space for growing and living, pollution control, and recreation--are especially vulnerable because it is hard to measure them in dollars and cents.

I believe we are seeing a definite blossoming of concern for such benefits...benefits so essential if we are to enjoy an environment of real quality. The President has dramatized the importance of these values in his call for a Great Society. The First Lady has directed our attention especially to the importance of beauty in the environment. And throughout the nation there is a growing feeling that our generation has a special responsibility--in a world of change--to protect the qualities of environment that have enduring value in our civilization.

Every 20 seconds, there is a net population gain in this country of one person. Extend that rate for a year and you get a rise in population of over 2.6 million.

Thirty-five years from now--one generation away--we will likely see our population increase by another 100 million people. And by 1985, if we continue our present trend of concentrating our population in cities, there will be -- in only 216 cities -- as many people as there were in the entire nation in 1960.



This is like adding five New York Cities to our metropolitan population -- in only 25 years!

All of which compounds the threat to the quality of our environment. The sources of air and water pollution are multiplied. The competition for space is intensified. Congestion is likely to become more severe. And the beauty and charm of cities and towns ... the opportunities for recreation and creative satisfaction ... are apt to be lost.

That is the dark side of it. The bright side is the opportunity we have ... with our tremendous national energy and enterprise ... to take into hand the changes that are going on in our environment. We have the chance -- if we act now -- to guide these changes in our environment so that we do not sacrifice the very qualities that make for a good life and a great society.

Here in Newark, you are taking advantage of this opportunity. You are getting ready to live with the future. Your Mayor expects your town to grow by another 4,000 or 5,000 people in the next decade, and you are anticipating this and encouraging it with good water and sewage systems, good roads and streets, good schools and churches -- and now recreation.

The Greenspan idea -- which is a part of the Cropland Adjustment Program authorized by Congress last year -- is a recognition by the Congress and by the Department of Agriculture that we are no longer living in a frontier society where natural recreation is likely to be a part of the immediate environment.

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No longer can the average American boy take a walk in the woods only 5 minutes from his home. The "ole swimmin' hole" of our tradition is likely to be forgotten unless we do something to keep it or provide a substitute for it. The wild creatures that are a part of our heritage will not survive unless we do something to protect them.

The Greenspan program pioneered here today can make hundreds of thousands of acres of prime outdoor land available to recreation-short cities.

It is a good example of what President Johnson has called "creative federalism." Instead of permitting unneeded farm land to lie idle, the partnership between local and Federal governments, between farm and city, will move it into active use.

Greenspan is authorized in the Food and Agriculture Act of 1965 under the Cropland Adjustment provision. The purpose of that program is to move land not needed to produce crops into conserving uses for from 5 to 10 years, instead of only one year.

This would save money for the government...and make it possible for farmers to plan better.

The next logical step on the road to Greenspan was the realization that the payment to the farmer-owner might well constitute a payment toward acquisition of the land for public purposes by a unit of local government.

Congress concurred with this common sense, "creative federalism" approach toward meeting a national need and Greenspan was the result. The implications are enormous.

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There is a growing awareness in our country of the need for states and local communities to add to their recreation lands while there still is time. I have had in the last 90 days a hundred letters from governors, mayors, city managers, and county officers in response to our Greenspan efforts, and the recurring theme in this correspondence is the immediacy of the open space problem.

These letters reflect a realization that man now has the power to make tremendous alterations in his environment. And with the pell-mell change that is going on around us, there is a good chance that many important values will be lost unless we are alert and responsive to the need for immediate and long-range attention to the quality of our environment.

Greenspan is a tool that in many cases can help a state or local agency which needs more space for recreation but doesn't have quite the means to acquire it. It can often tip the scales in the right direction--while costing the Federal Government less in the long run than would the production of unneeded commodities on the same land.

The grant for such a project as you have here is comparable to the assistance given to farmers under the Cropland Adjustment Program. This means that, although Greenspan involves an actual purchase of land by the state or local government, the Federal payment is figured at the same rate as if the farmer had retained ownership of the land and put it into CAP for a ten-year period.

These rates are based on the kind and value of crops that have been grown on the farm and on the productivity of the land. Greenspan can also help local governments with the conservation practices needed on the land--and such assistance is provided for the project we are inaugurating today.

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The Department of Agriculture will share with local governments--approximately on a 50-50 basis--the cost of measures that protect, improve, and renew soil, water, woodland and wildlife. This will be handled very much like cost-sharing on private farm lands under the Department's Agricultural Conservation Program.

The job of marshaling the local initiative and enterprise to get a town or county recreation project started is not an easy one--as you so well know. It requires real leadership. But the effort involved will pay off manyfold in a stronger America...and better living for the people of our time and generations to come.

Right now, preliminary work for additional Greenspan projects is being carried out from here to New Mexico and the State of Washington. We know of more than 30 projects now in the planning stage.

Not all will bear fruit, of course, but enough will to assure me that Greenspan, dedicated as it is to wise planning for the multiple use of our land and water resources, has an important role in a great new era of imaginative U.S. land policy.

Even before the idea for Greenspan was conceived, the Department of Agriculture recognized the growing need and short supply of recreational land in America and was doing something about it through the agencies already in the business of serving rural America...and through a coordinating agency, the Rural Community Development Service.

As an example, one of the Department's agencies, the Forest Service, operates a recreation business that is really unparalleled in the world.

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This is the system of National Forests, now providing recreational opportunity to the tune of more than 150 million visits a year. National Forest service visits this year will reflect a doubling in the past 5 years and a tripling in the last 10 years! And this uptrend continues.

The Department's Soil Conservation Service, in addition to its tremendous impact on soil and water conservation dating back 30 years, is now having a real influence on recreation opportunities throughout the country. The SCS has now authorized more than 400 small watershed projects for construction, including 88 recreational developments in 30 states. Sixty more such developments are now in advanced planning.

In addition, SCS expects to help plan and install 18,000 recreation enterprises as part of conservation plans on private lands this coming year.

The Soil and Water Conservation Districts have taken an especially important hand in recreation development. Some 2,400 of the nearly 3,000 districts in the nation have finished or are currently undertaking an inventory of existing outdoor recreation developments, both public and private.

A procedure for making appraisals of recreation potentials has also been worked out and tested in 13 counties--including Jefferson County here in New York State.

The Agricultural Stabilization and Conservation Service--in addition to its role as the farm program arm of the Department--is engaged in recreation in several ways. There are, for instance, about



60 million acres of cropland now diverted from production to conserving uses ... and this is an important wildlife resource.

ASCS also administers the Agricultural Conservation Program, which shares with farmers the cost of conservation practices. Here in New York State, for example, the ASCS authorized extra funds for special wildlife practices involving a number of farms in Allegheny County. This is helping to meet the recreation needs of the Buffalo-Rochester area.

The Cooperative Extension Service has provided educational leadership in recreation to individuals and organizations. Here are a few examples:

Extension has helped organize associations of farm vacation hosts in Ohio, Pennsylvania, and Arkansas.

Vermont extension specialists developed comprehensive market and management analyses for 89 individuals considering outdoor recreation enterprises, and have set up demonstration units for 8 different types of recreation enterprises.

A recent issue of Outdoor Life carried a feature on how extension helped Brooks County, Georgia, farmers develop hunting and fishing for a fee.

New York's Extension Service has helped rural landowners develop camp grounds and country home sites for city dwellers.

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Department credit programs are also a boon to recreation. As a result of a Farmers Home Administration program begun in late 1962, the residents of 770 small town and open country areas in 48 States are, or soon will be, enjoying more opportunities for recreation.

The Rural Electrification Administration, too, has an important role in recreation. In thousands of rural areas, REA borrowers not only provide utility services but also are assuming leadership in developing recreational facilities.

These efforts of the Department of Agriculture are coordinated with the recreation programs of other Federal departments through the Recreation Advisory Council and the Department of the Interior's Bureau of Outdoor Recreation. These organizations have the job of harmonizing the efforts of at least two dozen agencies in several Federal Departments -- which, until 1961, did not have the benefit of any kind of over-all Federal recreation policy.

I have given you just a partial resume of the recreation efforts going on in the Department of Agriculture and in other agencies, and this is by no means the whole story of Federal efforts to expand and develop recreation opportunities.

The Greenspan project we are about to make official is a part of the over-all program of land use change that the Congress authorized in Title VI of the Food and Agriculture Act of 1965. This law recognizes that while the grain surpluses so burdensome a few years ago are now largely under control, we still have a tremendous overcapacity in agriculture.

But, as I explained earlier today, our overcapacity now is in land ... and not in stored grains.

With that in mind, we have set out to shift land not needed for crop production into other uses where the need is real. Congress recognized the real need for additional public land when it authorized the Greenspan program.

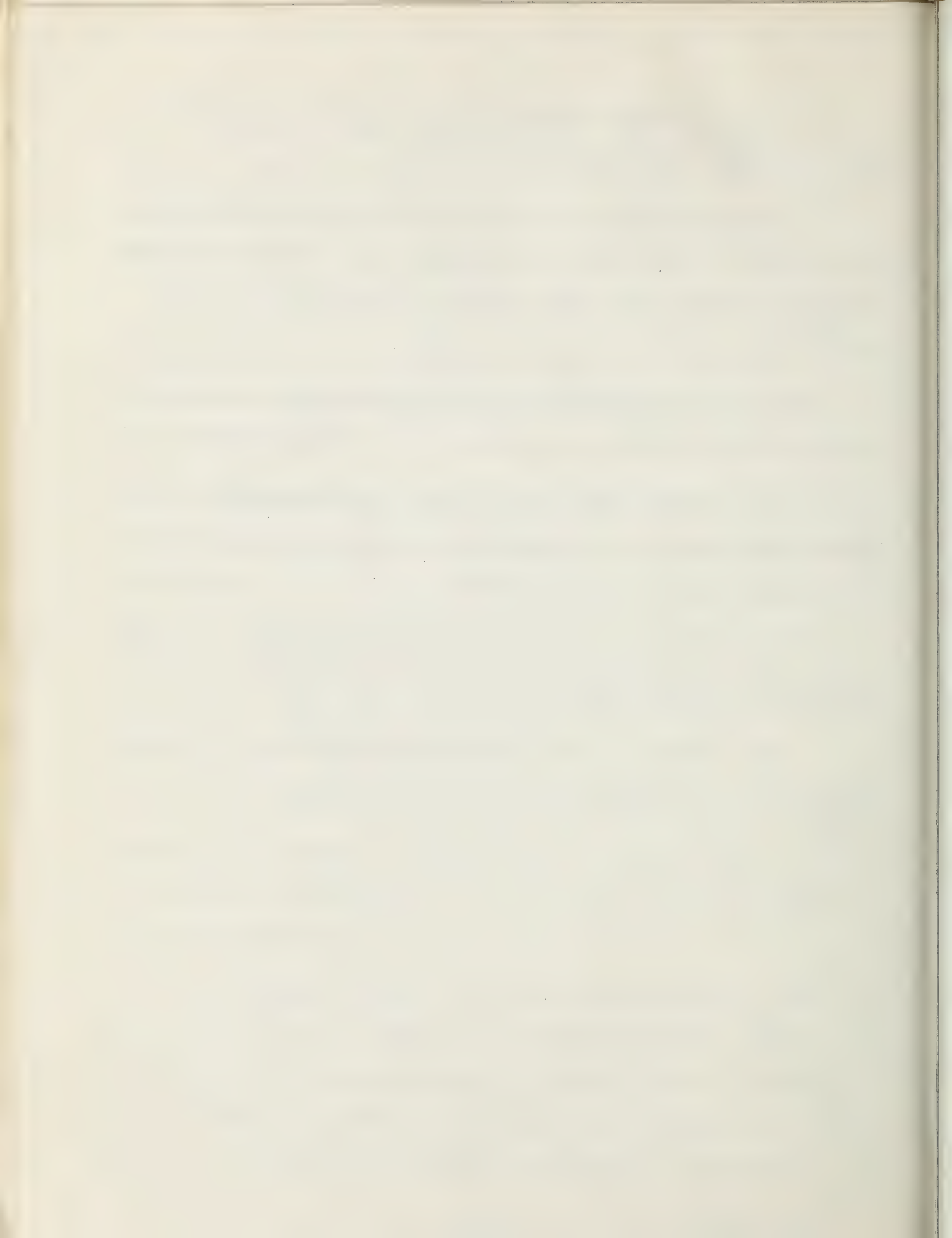
This is the program which, along with local effort and resources, is making possible the new recreation area for the village of Newark.

I am delighted that the first project under Greenspan is one that offers so much promise. I am delighted that it involves a community that is so forward-looking and full of optimism.

I know that this is what Congress had in mind when it gave us the authority to institute a program of this kind.

And I know that, as Newark grows and generations pass, the wisdom of what we are doing today will become more and more apparent.

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## REVIEW OF THE U. S. WHEAT SITUATION

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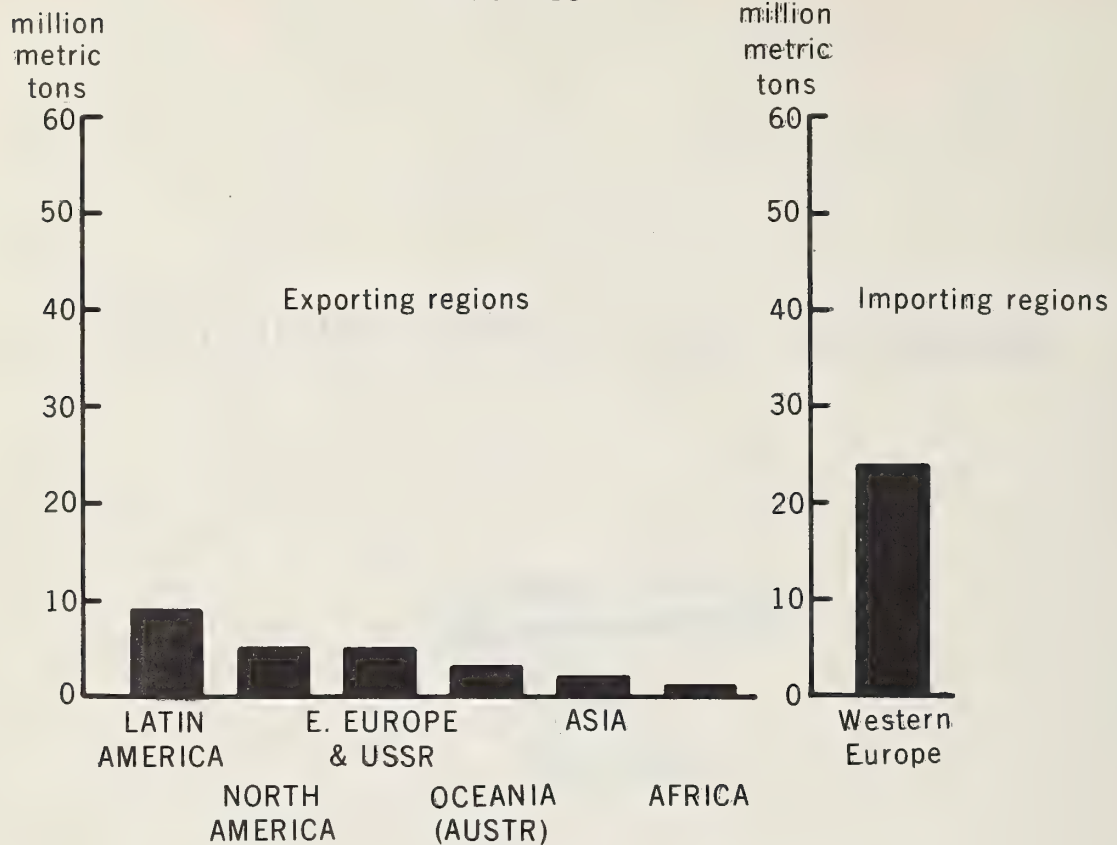
Secretary of Agriculture  
Orville L. Freeman

June 1966

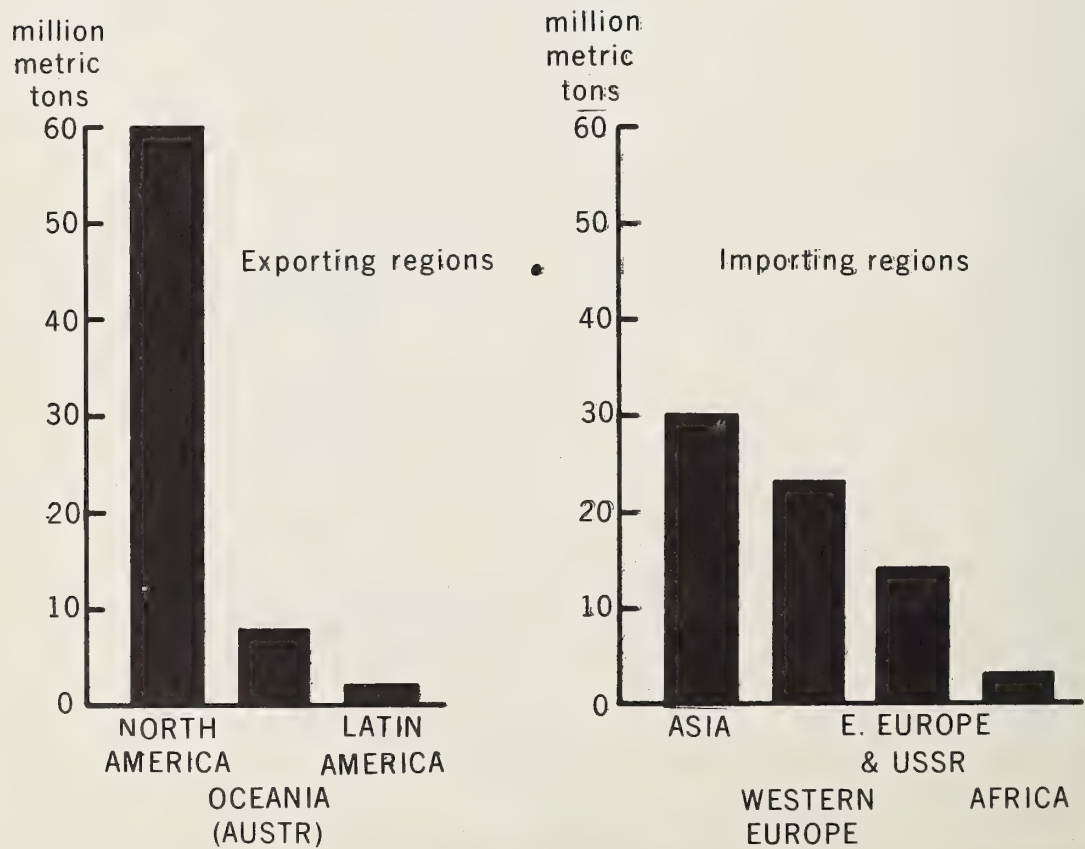
# THE CHANGING PATTERN OF WORLD GRAIN TRADE

(net trade by regions)

1934 - 38



1966





## THE CHANGING PATTERN OF WORLD GRAIN TRADE

Over the past 25-30 years the world grain trade pattern has changed dramatically. During the late 1930's the three dominant grain exporting regions were North America, Latin America and Eastern Europe (including the Soviet Union). At that time Latin America was the leading grain exporter.

Latin America, plagued with runaway rates of population growth, has lost its large net export surplus of grain and is today scarcely self sufficient. Imports into Brazil and other smaller countries largely offset exports from Argentina. Eastern Europe, once the breadbasket for all of Europe, now has a large import deficit.

North America, exporting 5 million tons of grain yearly in the late 1930's, is expected to export 60 million tons of grain this year. Even more significant North America could export consistently 100 million tons of grain annually if the world market were large enough. Three basic factors underlie these dramatic changes in the pattern of world grain trade: the agricultural revolution in North America, runaway population growth rates in the developing countries, and the near universal failure of the Socialist (Bloc) countries to develop viable agricultural sectors.

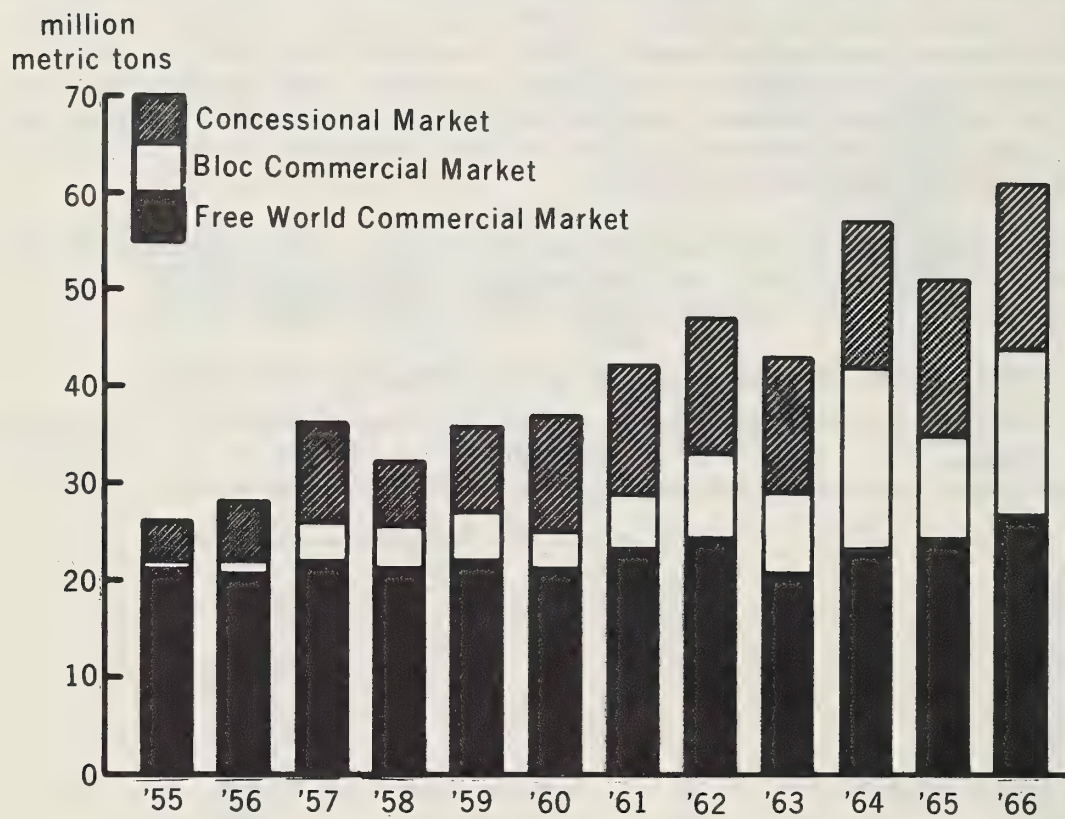
North America today has a near monopoly on the world's exportable supplies of food. The worldwide political implications of this fact ought not to be lost!

World Grain Trade by Major Geographic Regions (net trade)

Region	1934-38	1960	Estimated 1966
- - - - - Million metric tons - - - - -			
North America	+5	+39	+60
Latin America	+9	0	+2
Western Europe	-24	-25	-23
E. Europe (incl. USSR)	+5	0	-14
Africa	+1	-2	-3
Oceania (Austral.)	+3	+6	+8
Asia	+2	-16	-30

Plus = net exports; minus = net imports.

### SOURCES OF GROWTH IN WORLD WHEAT TRADE



# SOURCES OF GROWTH IN THE WORLD WHEAT MARKET

The world wheat market can, for analytical purposes, be divided into 3 markets. These are the Free World or traditional commercial market, the Bloc commercial market and the concessional market. The Free World commercial market consisting of such traditional wheat importers as the United Kingdom, West Germany and Japan has been remarkably stable over the past 15 years.

The Bloc commercial market, quite small through 1960, began to increase markedly in the early 1960's as Mainland China lost its position as a net grain exporter and became one of the world's leading importers. The Soviet Union, a ranking exporter in the late 1950's and early 1960's, became a large net importer in 1964. Since then it has been the world's leading importer of wheat. In 1964 more than one-third of all the wheat entering world trade channels was imported by Bloc countries on a commercial basis.

The concessional wheat market, consistently accounting for one-fourth to one-third of all wheat imports is supplied almost entirely by the United States. Two-fifths of the U.S. wheat crop moves abroad under Public Law 480. Virtually all of the growth in the world wheat market over the past 10-15 years is accounted for by the development of the Bloc commercial market and the concessional market.

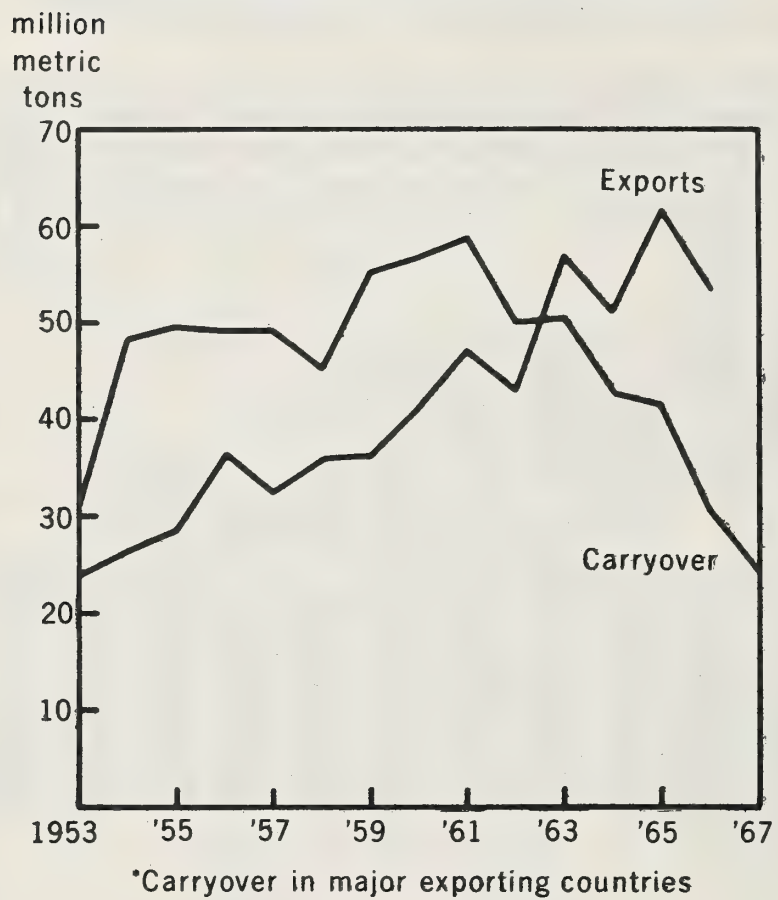
World wheat and wheat flour exports by market,  
1951-52/1965-66

Year	Commercial market		Concessional market	Total
	Free World	Sino-Soviet Bloc <u>1/</u>		
----- Million Metric Tons -----				
1951-52	24.0	0.6	4.5	29.0
1952-53	24.8	0.9	1.2	26.9
1953-54	20.6	0.5	2.9	23.9
1954-55	21.0	1.1	4.3	26.4
1955-56	20.5	1.3	6.5	28.3
1956-57	21.8	4.1	10.3	36.2
1957-58	20.9	3.9	7.6	32.4
1958-59	22.2	5.0	8.7	36.0
1959-60	21.0	4.7	10.4	36.1
1960-61	23.0	6.1	12.7	41.8
1961-62	24.4	9.2	13.5	47.1
1962-63	20.5	9.0	13.2	42.8
1963-64	23.4	18.9	13.9	56.2
1964-65	23.7	11.7	15.8	51.2
1965-66	26.7	17.8	16.7	61.2

<sup>1/</sup> Excludes Poland, Yugoslavia and Cuba, which are in concessional.



### WORLD WHEAT CARRYOVER AND EXPORTS\*





# DIVERGING TRENDS IN WORLD WHEAT CARRYOVER AND EXPORTS

While carryover stocks in major exporting countries have been declining, falling from a high of 59 million metric tons in 1961 to 31 million tons this year, the level of world wheat exports has been trending sharply upward, more than doubling over the past 10 years. A decade ago the level of carryover reserves was almost double the level of exports. Today they are little more than half as large.

Twice within the past decade, 1957 and again in 1964, world wheat imports jumped by more than one-fourth above those of the preceding year. If a percentage increase of this magnitude should occur again at the present levels of trade, an abrupt increase of 15 million tons (550 million bushels) of exports would be needed. At present low levels of world reserves this would present some serious problems.

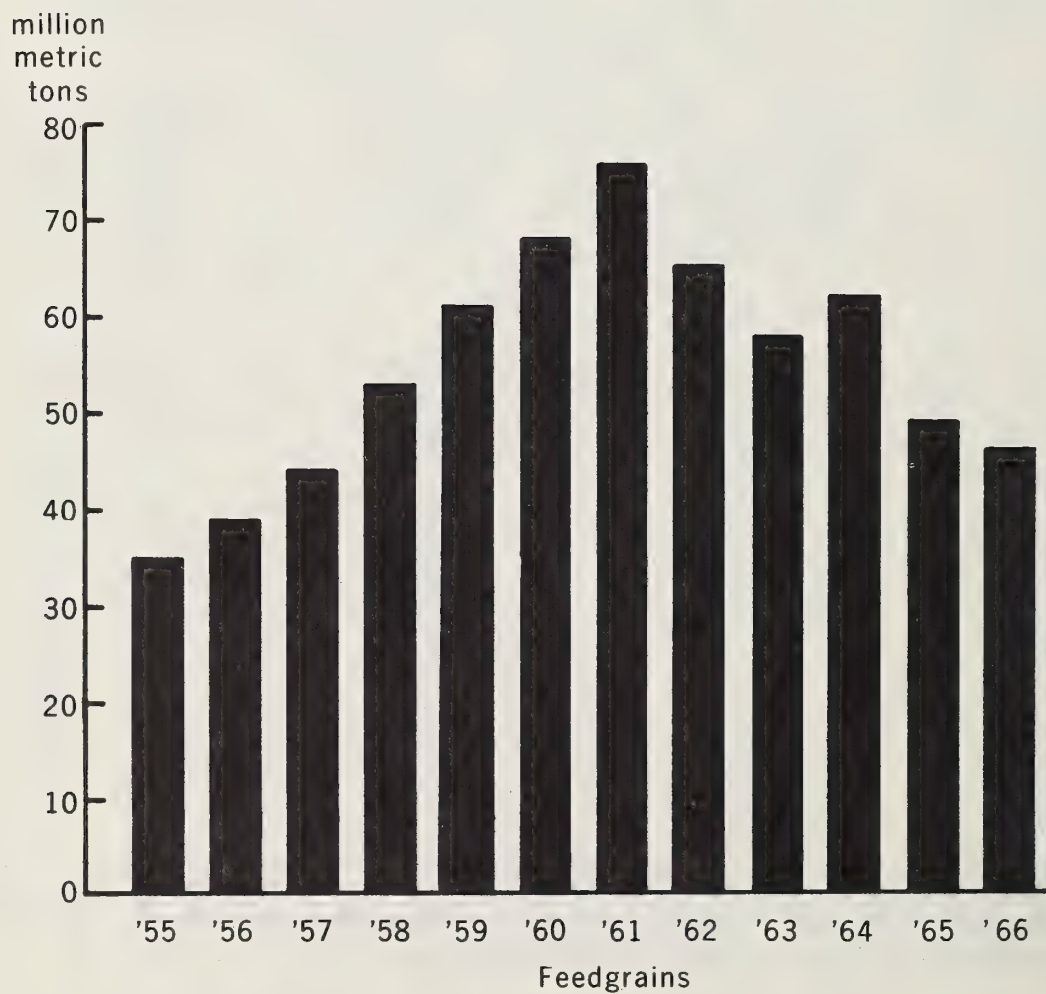
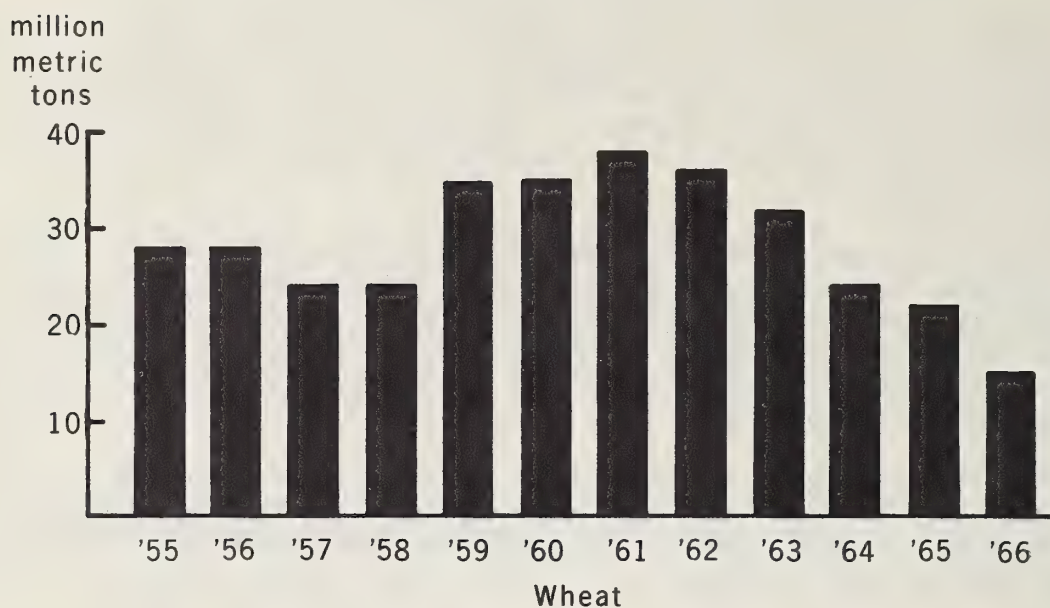
Another factor arguing for a higher level of world wheat reserves is the growing dependence of all the world's importing countries on one region, North America. Crops in both the United States and Canada are influenced by the same weather cycles.

Carryover stocks in major wheat exporting countries and level of world wheat trade, 1953-67

Year	Carryover stocks of wheat in major exporting countries <u>1/</u>	World wheat exports <u>2/</u>	Ratio of carry- over stocks to exports (Col. 1 ÷ Col. 2)
	Million Metric Tons		Ratio
1953	31.7	23.9	1.33
1954	48.2	26.4	1.83
1955	49.8	28.3	1.76
1956	49.4	36.2	1.36
1957	49.4	32.4	1.52
1958	45.6	36.0	1.27
1959	55.2	36.1	1.53
1960	56.9	41.8	1.36
1961	58.8	47.2	1.25
1962	49.6	42.8	1.16
1963	50.3	56.2	.90
1964	42.2	51.2	.83
1965	42.3	61.2	.69
1966 <u>3/</u>	30.9	53.7	.58
1967 <u>3/</u>	25.2	--	

1/ Carryover stocks measured at beginning of new crop year in each country. Includes United States, Canada, Australia, Argentina and France. 2/ For fiscal year beginning in year shown. 3/ Preliminary.

## UNITED STATES: CARRYOVER OF WHEAT AND FEEDGRAINS



# TRENDS IN U.S. CARRYOVER OF WHEAT AND FEEDGRAINS

Both wheat and feedgrain carryover are down sharply from the highs reached in 1961. Wheat carryover has been cut by more than half. Feedgrain carryover has been cut by just over a third. Total stocks of wheat and feedgrains combined have dropped from 115 million tons in 1961 to 61 million tons in 1966.

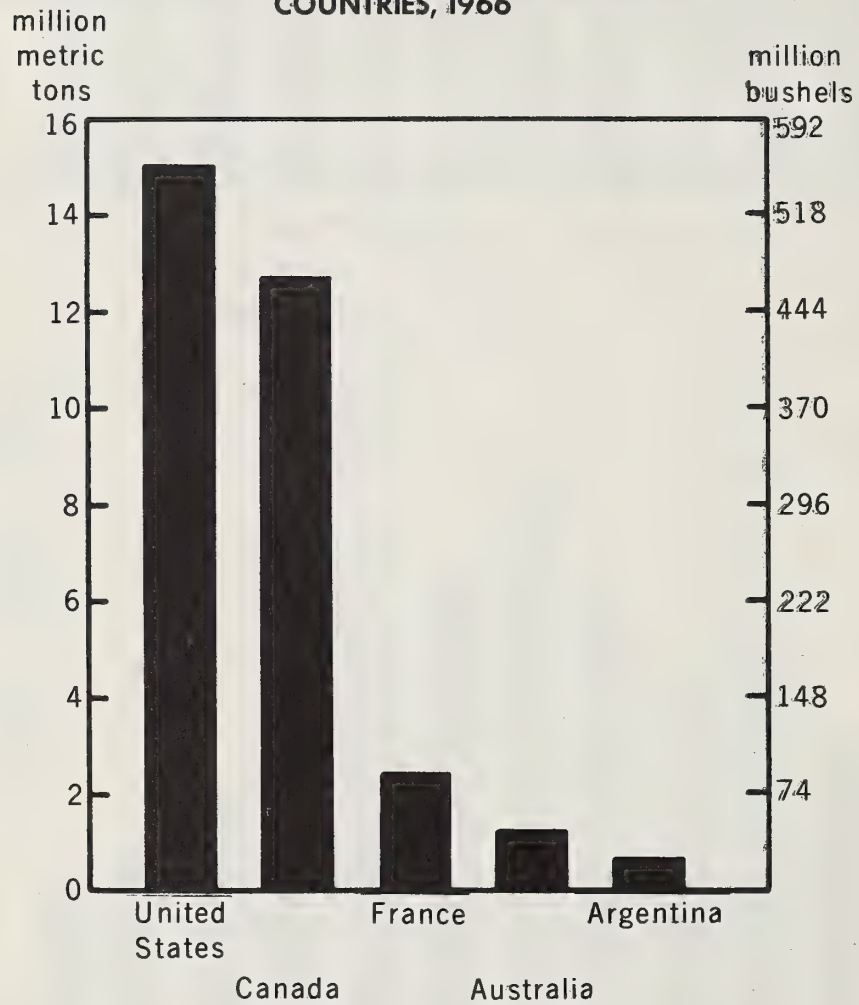
As of 1966 wheat carryover, at 550 million bushels or 15 million tons, is about 10 percent below the desirable level of 600 million bushels. Feedgrain carryover at 51 million short tons is about 10 percent above the desirable level of 45 million tons. Feedgrain carryover presently consists largely of corn and grain sorghum, both of which are consumed as food in each of the major less-developed regions.

## U. S. Wheat and Feedgrain Carryover, 1955-66

Year	Wheat	Feedgrains <sup>1/</sup>	Total
----- Million Metric Tons -----			
1955	28.2	35.5	63.7
1956	28.1	39.2	67.3
1957	24.7	44.3	69.0
1958	24.0	53.5	77.5
1959	35.2	61.2	96.4
1960	35.8	68.6	104.4
1961	38.4	76.8	115.2
1962	36.0	65.1	101.1
1963	32.5	58.0	90.5
1964	24.5	62.3	86.8
1965	22.3	49.3	71.6
1966	15.1	(46.3)	61.4

<sup>1/</sup> Now consists largely of corn and grain sorghum.

**WHEAT CARRYOVER IN MAJOR EXPORTING  
COUNTRIES, 1966**





# TRENDS IN WORLD WHEAT CARRYOVER

Nearly all of the world's wheat reserves are held by the major exporting countries. Carryover stocks of wheat in these countries reached an alltime high of 59 million tons in 1961. This year they are expected to be down to 31 million tons, scarcely half the level of 5 years ago. At this time next year they are projected to be even lower, likely about 25 million tons.

Most of the drawdown has been concentrated in the United States and, to a lesser extent, Canada. Canada with 13 million tons and France with 2 million now have a combined carryover equal to that of the United States. Carryover stocks in Australia and Argentina are negligible.

Carryover stocks of wheat in major exporting countries,  
1953-67 1/

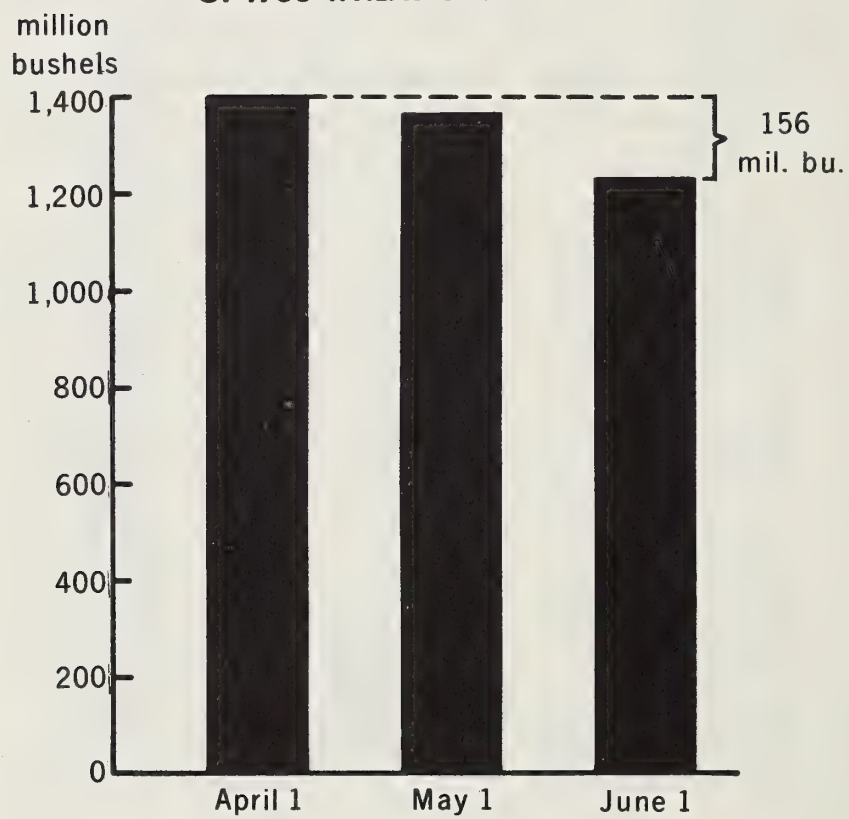
Year	United States	Canada	Australia	Argentina	France	Total
- - - - - Million Metric Tons - - - - -						
1953	16.5	10.4	1.0	2.0	<u>2/</u> 1.8	31.7
1954	25.4	16.8	2.6	1.6	<u>2/</u> 1.8	48.2
1955	28.2	14.6	2.6	2.4	2.0	49.8
1956	28.1	15.8	2.4	1.5	1.6	49.4
1957	24.7	20.0	1.2	1.9	1.6	49.4
1958	24.0	17.4	0.5	1.9	1.8	45.6
1959	35.3	14.9	1.8	1.6	1.6	55.2
1960	35.8	16.3	1.7	1.2	1.9	56.9
1961	38.4	16.5	0.8	0.8	2.3	58.8
1962	36.0	10.6	0.6	0.7	1.7	49.6
1963	32.5	13.3	0.7	0.6	3.2	50.3
1964	24.5	12.5	0.7	2.2	2.3	42.2
1965	22.3	14.0	0.7	3.3	2.0	42.3
1966 <u>3/</u>	15.1	12.7	0.6	0.3	2.2	30.9
1967 <u>3/</u>	10.9	10.8	0.7	0.6	2.2	25.2

1/ Carryover at beginning of new crop year: July 1 in the United States and France, August 1 in Canada, and December 1 in Australia and Argentina.

2/ Estimates.

3/ Preliminary.

**PRELIMINARY ESTIMATES  
OF 1966 WHEAT CROP**



# REDUCTION IN ESTIMATES OF 1966 U. S. WHEAT CROP

Throughout the early months of this year all reports in the principal wheat growing States indicated an excellent, near record wheat crop in prospect. The crop had wintered well and moisture conditions were good to excellent. Over the past two months, however, conditions have changed markedly. Several consecutive weeks with little or no rain in parts of Kansas, Colorado and Oklahoma, combined with a late May freeze in Southwest Kansas have seriously reduced prospects for a good crop.

The crop estimate based on conditions as of June 1 showed a decline of 137 million bushels or 10 percent from that of just one month earlier. The total decline from April 1 to June 1 totaled 156 million bushels-- more than one-fourth of our total PL 480 shipments. The 156 million bushel decline during the weeks immediately preceding harvest is one of the sharpest on record.

## U.S. Wheat Crop: Preliminary Estimates for 1966

Crop report as of	Crop estimate	Change in crop estimate	
	(mil. bu.)	(mil. bu.)	(percent)
April 1	1,391	-19	-1.4
May 1	1,372	-137	-10.0
June 1	1,235		
Total change		-156	-11.2

Note: The 1960-64 average was 1,223 million bushels.



## SUMMARY OF THE CURRENT SITUATION

The Crop Report released on June 10, based on conditions as of June 1, indicates a decline in the U. S. wheat crop of 137 million bushels or about 10 percent from the estimate of a month earlier. This sizable drop, coming as it does at a time when both India and the Soviet Union are requiring large imports of wheat, has caused considerable concern.

This has been interpreted as meaning that our wheat carryover, currently estimated at 550 million bushels for this July 1, will be down to 250 million bushels or lower by July 1 a year from now. Although we do expect a further reduction in our carryover during the next year due largely to heavy export demand we do not expect it to drop anywhere near the 250 million bushel level as some have anticipated. Others have interpreted this recent reduction in the U.S. wheat crop as meaning there will be a worldwide shortage of food. Such is clearly not the case.

Our wheat carryover, now down to 550 million bushels or about 15 million metric tons, is backed by a carryover of 51 million short tons of other grains (1.7 billion bushels in wheat equiv.), principally corn and grain sorghum. We can supplement our concessional wheat exports, which normally take two-fifths or more of our total harvest, with concessional exports of corn or grain sorghum, depending on the preference of the food aid recipient country. Both of these grains are sub staples in the diets of Asia and Africa. Corn is consumed throughout much of Latin America.

Canada and France this year have a combined carryover of wheat totaling 550 million bushels-- exactly the same as ours. This too can be used to supplement our own concessional wheat shipments. Canada has already agreed to supply India, on concessional terms, just over a million tons of wheat (about 40 million bushels) during the coming year.

We have a responsibility to maintain adequate wheat supplies for domestic use and also a responsibility as the world's leading supplier of food. Under the Food and Agriculture Act of 1965 we have a great deal of flexibility in adjusting both the level and pattern of food production to meet worldwide needs.

In early May President Johnson announced a 15 percent increase in the wheat acreage allotment for next year's crop. As things now stand the acreage allotment for the crop we will begin planting in September for harvest next summer is 59 million acres, up 8 million acres from the allotment for the current crop. With normal weather this will give us a crop of about 1,555 million bushels, the largest crop ever harvested. Last week the President asked me to review carefully the wheat situation at home and abroad over the next few weeks deciding whether we might need to expand the acreage allotment further.

We are now awaiting the Crop Report to be released in early July, which will give us a better assessment of our wheat crop. By that time we will also have a better reading on this year's wheat crop in the Soviet Union, a preliminary indication of the monsoon in India and crop prospects in other countries.







U.S. Department of Agriculture  
Office of the Secretary

I am always pleased to visit New Jersey, because here, as in few other places, I find an urban appreciation of agriculture that is heartwarming, indeed.

Today my pleasure is doubled, for this event -- honoring as it does a fellow agrologist as New Jersey's Outstanding Citizen of the Year -- is vivid evidence of that appreciation.

Phil Alampi ... this tremendous turn-out is living testimony to the esteem in which you are held by the people of New Jersey. I congratulate you. I congratulate Governor Hughes for having you on his cabinet. And I congratulate New Jersey for having selected such a deserving recipient for this distinguished award.

I have long been aware of Phil Alampi's ability, and of his outstanding record of service to agriculture. Last year he served as president of the National Association of State Departments of Agriculture, and I, as one of many, thought how fitting it was that one of the Nation's very best Secretaries of Agriculture should head that organization.

No one should have been surprised by Phil's success in that office. After all, anyone who has served as president of 32 organizations, three of them national, ought to know every trick in the executive book.

I am told that Phil Alampi, right this moment, is either an officer, chairman, director, or member of 62 organizations!

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Address by Secretary of Agriculture Orville L. Freeman at ceremonies honoring Phillip Alampi, New Jersey Secretary of Agriculture, as New Jersey's Outstanding Citizen of the Year. Robert Treat Hotel, Newark, New Jersey, 12 noon EDT, June 9, 1966.

Sixty-two?

My goodness. If I didn't know the charming Mrs. Alampi, I'd think Phil was practicing domestic escapism.

Seriously, the award Phil Alampi is receiving today -- an award made in previous years to many other distinguished representatives of commerce, industry, and government -- reflects recognition of what he represents in terms of New Jersey agriculture and its importance to an industrial and urban community.

He is being honored not only for his splendid 10-year record as Secretary of Agriculture ... but also for those voluntary services and contributions which involve him in such wide-ranging fields as health, welfare, education, commerce, banking, recreation, sports, hunting, fishing, gardening and youth programs.

In both his official and non-official service, he has worn the two hats of rural and urban New Jersey with grace and distinction.

This ceremony symbolizes, it seems to me, the highly commendable relationship between these two segments, a relationship I'm sure the rural areas of many other States must envy.

It seems paradoxical, and almost ironic, that in this State, the most urbanized of all states, agriculture is recognized and appreciated the way it is. For in many other areas far more rural in nature, agriculture is not given its proper recognition ... nor is it appreciated as it should be.

The record shows that although New Jersey ranks 46th among the States in land area ... and first in density of population ... it has, nevertheless, kept 24 percent of its land in agriculture and 26 percent in forest and woodland.

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Engaged as the U.S. Department of Agriculture now is in an intensive effort to preserve the natural countryside, this record by the State of New Jersey is most inspiring.

Again, it bespeaks an urban appreciation of nature and the land unusual and commendable in our ever-more city-oriented culture.

Your business and industrial leaders have maintained a close, and highly cooperative, relationship with agriculture for many years and have gone to great lengths to encourage the maintenance of agriculture in New Jersey to round out the State's economy, contribute to a desirable environment for your people, aid in the conservation of natural resources, provide recreational facilities, and assure the continued existence of open space in your State.

I assure you that these efforts have not gone unnoticed by the United States Secretary of Agriculture. I draw considerable encouragement from the New Jersey story ... and I tell that story often.

But today, in this atmosphere of friendly urban-rural relations, I want to talk to you -- and through you to the Nation -- about a relationship which, in the past few months at least, has not been quite so friendly.

I speak of the relationship between the food consumer and the food producer ... the shopper and the farmer.

The cooling of this relationship is all the more unfortunate because much of it came about because of misunderstanding.

The shopper, alarmed over the rise in food prices, has mistakenly blamed the farmer ... and the farmer, in turn, has become righteously indignant over being singled out by many consumers as the chief inflationary culprit.

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Let's examine both sides of this unfortunate issue.

Let's start with the consumer.

Now every housewife in the country, including farm housewives, knows that food prices are higher.

They are higher. But are they so much higher that alarm and resentment are really justified?

The market price of the 11 key foods which most affect the Government's Consumer Price Index have gone up 8.9 percent since February of 1961, the month the national economy turned the corner from the last recession and started its unbroken climb upward.

Is that an alarming increase? Considering the rate at which personal earnings and the costs of other products and services have increased during the same period, I would think not.

In fact, that 8.9 percent increase in key food costs is, in that context, far more reassuring than it is alarming.

In the first place, if we omit two items, lettuce and pork, from that list of key items, the increase over that period amounts to only 2.5 percent!

For while pork prices were going up 31.1 percent, and lettuce prices 89 percent, tomatoes were increasing only 6 percent, potatoes only 4.5 percent, eggs only 1.5 percent, butter only 3.9 percent, beef only 5.3 percent, bread only 3.4 percent, broiler chickens only 3.1 percent -- and oranges were going down 2.2 percent and milk was going down .4 percent.

But even this doesn't tell the whole story, ladies and gentlemen, because in terms of real costs the housewife is spending less for food today than she did 5 and a half years ago!

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By the real cost, I mean how much food a given unit of work will buy ... for the only true measure of the cost of a commodity or a service is what an hour's earnings will buy.

Now, consider this for a moment. While market prices for key foods were going up 8.9 percent since February of 1961, the after-tax weekly earnings of a family of 4 headed by a worker in manufacturing were climbing 19 percent, and the after-tax weekly earnings of a single worker in industry were soaring 20.6 percent.

As Sylvia Porter noted the other day, "The fact is that over the 5-year span, the average increase in food prices has been much smaller than the increase in the after-tax incomes of the vast majority of American workers."

Now let's see how significant this is. Suppose we do a little comparing. Suppose we contrast what an hour's factory labor earnings could buy in the way of food in 1965 with what an hour's earnings in 1960 could purchase.

An hour's factory labor earnings in 1965 bought:

12.5 pounds of white bread ... compared with 11.1 pounds in 1960

2.4 pounds of round steak ... compared with 2.1 pounds

3.2 pounds of sliced bacon ... compared with 3.5 pounds

3.5 pounds of butter ... compared with 3 pounds

9.9 quarts of milk ... compared with 8.7 quarts

5 dozen eggs ... compared with 3.9 dozen

27.8 pounds of potatoes ... compared with 31.4 pounds

16.2 cans of tomatoes ... compared with 14.2 cans

Now, in terms of the real cost of food, are we worse off -- or better off -- than we were 5 and a half years ago?

My friends, even with recent food price increases, the American people spend less of their take-home pay for food than ever before.

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In 1947-49, we spent 26 percent of our take-home pay for food. In 1960 we spent 21 percent. Today we spend only 18.3 percent!

In 1947-49, the breadwinner of the family had to work 59 hours in order to buy one month's supply of farm food for the average family. Today, he works only 38 hours to buy a like amount.

In contrast, a typical European consumer has to work 4 times as long to buy the same amount of beef, 5 times as long to buy an equivalent amount of ham, 3 times as long for the same amount of cheese and eggs as a typical American consumer.

In England, food takes 27 percent of total family expenditures. In France, 30 percent. In Italy, 43 percent. And the latest figures we have for Russia suggest that food accounts for something in the neighborhood of half the total family spending.

Our food supply is not only less expensive than it is in other countries ... its quality is higher. Take just one measure of quality -- protein -- that vital source of body building materials.

The typical American consumes about 95 grams of protein a day, roughly the same as diets provide in northwestern Europe. But in such places as North Africa, the average diet includes only 70 grams -- and most of the people of the Far East struggle along on 55 grams a day or less.

I have talked about what a bargain food is in America. I have described its low-cost abundance and its high level quality.

Now, let me say a word or two about its exciting variety, for when it comes to variety there simply isn't anything to compare with the American food supply.

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A typical American supermarket has 6,000 to 10,000 items on its shelves.

It isn't at all unusual to find as many as 85 different kinds and cuts of meat and poultry in the typical supermarket ...and 70 different varieties of canned vegetables. That's canned! It doesn't begin to count up the fresh vegetables or their frozen counterparts.

The variety is so vast, the choice of kinds of food so wide, it fairly staggers the imagination. The world of food today is simply not the same world we once knew. It has been estimated 70 percent of sales today are products that were not on the market just 10 years ago!

It should go without saying, of course, that this abundant supply of low-cost, high-quality, excitingly varied food didn't come about by chance.

It came about, for the most part, through the efforts of our hard-working, dedicated farmers -- the most efficient farmers in the world.

I've been talking about what the farmer is doing for our country ... doing for you and for me. Now, let's take a look at how the farmer, himself, has been doing.

Let's look first at the bright side.

The farm policy this Administration set 6 years ago had two basic goals: Better incomes for farmers. Balanced abundance for consumers. A farm policy which sought one and not the other would be unrealistic. A farm policy which achieved one and not the other would be a failure.

Our policy, I'm happy to say has made great strides toward both goals. But we still have a long way to go.

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Realized net farm income in 1965 totaled \$14.1 billion -- \$2.4 billion, or 20.5 percent, more than in 1960. Farm income this year will climb at least \$1 billion more -- to the highest level in history except for the postwar years of 1947 and 1948.

Net realized income per farm, which averaged \$2,956 in 1960, rose to nearly \$4,200 last year, and is expected to reach \$4,600 in 1966 -- an increase of about 55 percent in 6 years.

Income from all sources per person on farms rose from \$1,108 in 1960 to \$1,510 in 1965. The estimate for 1966 is about \$1,600, roughly 44 percent higher than in 1960.

Cash receipts from the sale of major livestock products and all crops -- and including government payments -- rose from \$34.7 billion in 1960 to \$41.6 billion in 1965 ... and this year will climb to an estimated \$44.2 billion.

This was brought about by many factors. Farm programs have been of vital importance in all but eliminating the grain surpluses which were keeping prices depressed. The growth in world markets has also been of considerable help. And, of course, the effect of a prosperous national economy cannot be overestimated.

Government payments to farmers for voluntarily diverting some of their land out of production and in to soil conserving uses have helped brighten the agricultural picture. Payments amounted to 2 percent of farmers' cash receipts from marketings in 1960; about 6 percent in 1965, and may be about 8 percent this year.

These increases reflect changes in farm programs. The 1966 figure, for example, does not represent an increase in total costs of the farm commodity programs. With lower price support loan levels for cotton and wheat this year, the reduction in payments to domestic cotton users and to exporters of cotton and wheat will offset much of the increase in payments to farmers.

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So much for the bright side. Now let's examine the dark side.

While the income gap between farm and non-farm people this year will be narrower than at any time in more than 3 decades, except for 1948, the farmer still is seriously underpaid. In 1965 farmers will still earn only 65 percent of what non-farmers earn, though this is 10 percent better than it was in 1960.

Market prices of farm commodities rose 4 percent between 1960 and 1965. When adjusted to include government payments, the increase was about 9 percent.

But farm prices in 1965 were still 14 percent below their level in 1952!

And this, my friends, is the major reason why the American farmer is justifiably resentful over being blamed for inflation.

He knows that he is getting less for his products, even though the price of food at the retail outlets is higher.

He knows that he gets only 41 cents out of every dollar spent for food in America.

He knows that the rest of every food dollar goes to pay the costs of transportation, processing, packaging, displaying, advertising and selling ... and for the parking lots, check-cashing and baby-sitting services provided by the supermarkets.

He knows that the prices he has to pay to clothe and feed his family have gone up, too ... and furthermore, he knows that the average price for the production items that go into farming -- feed and livestock, gas, oil, fertilizer, and so forth ... were 5 percent higher in 1965 than they were in 1957-59.

The net result of all this is that many farmers are now going through an agonizing reappraisal of their future in farming.

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Farming is a way of life, it is true. But farming is also a business, and more and more farmers are insisting that their business return them a decent living.

And this brings me to my final point.

In many respects, the food and fiber bargains the American consumer has enjoyed for so many years were made possible by inadequate returns to the farmer.

In a very real sense, the farmer has been subsidizing the consumer ... and this cannot continue forever. It is not fair to the farmer. And in the long run it is not fair to the consumer.

Let me tell you why.

If the farmer does not receive a fair return ... if he is forced to give up farming .. our food abundance is certain to diminish. If this should happen, the consumer can expect to pay much higher prices for food than he pays today.

The American farmer is entitled to a 100 percent share in our national prosperity.

He isn't getting it.

And if he doesn't get it ... if he cannot give his family the same advantages other families enjoy ... who can blame him if he looks elsewhere for a better paying job?

Already, we are seeing this happen in dairy farming. Milk production thus far this year is 5 percent below what it was a year ago ... and the number of dairy farmers who are leaving the land has nearly doubled in the past 4 years.

If the American consumer can be helped to understand the farmer's plight, can be helped to better appreciate what the farmer has done for him these many years, I feel certain that he would be willing to pay a little more for the farmer's products now in order to keep the farmer on the land ... where he will

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continue to provide the American people with the best, and in terms of real cost, the cheapest diet in the world.

If the spirit of appreciation, understanding, and cooperation which prevails in urban and rural New Jersey today could suddenly spread across this Nation, I am certain it would not take long to heal the rift between the shopper and the farmer, achieve parity of income for the farmer ... and, in the long run, benefit both the farmer and the consumer.

This is the message I want to leave with you today.

Phil Alampi ... again, my heartiest congratulations. It was a pleasure ... it was a privilege ... to take part in this ceremony.

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JUL 1 - 1966

G & RASE

U.S. Department of Agriculture  
Office of the Secretary

As the father of one child in college, and another of imminent college age, I was at once amused and a bit nonplussed the other day when I came across a cartoon depicting a nearly destitute father surveying his capped and gowned son and remarking to his wife:

"All right, now he knows enough to come in out of the rain. But was it worth \$10,826.44?"

Once we nearly destitute parents accept the fact that college educations, like everything else, cost more these days, we can also welcome the fact, I believe, that our sons and daughters are getting more, much more, for their education dollar than we did.

Any contemporary father who has wandered into the mystifying morass of an offspring's homework knows that education is bigger, and we must assume better, than it was in his day. One look at the cryptic hieroglyphics of modern higher mathematics, for instance, is staggering to old grads who now get confused doing long division.

The acceleration of knowledge in our time, and more specifically in your generation, is awesome.

Of all the scientific information available in the world today, more than half has been produced in the past 10 to 20 years. And we can expect a doubling in output each decade remaining in this century.

In the four years you have spent in Fairleigh Dickinson University, you have been exposed to considerably more information than we were in the colleges

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Commencement address by Secretary of Agriculture Orville L. Freeman at Fairleigh Dickinson University, Madison, New Jersey, June 11, 1966, 10:30 a.m., EDT.

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of our day. Your children, and your children's children, will be exposed to even more in their time.

You are reaching your majority at a challenging and exciting point in history. With all that is going on in today's world, lunar exploration, space walks and rendezvous, plastic heart implants, organ transplants, laser beams, and the magic machinations of the computer; the drama and the tension, the frustrations and rewards of the great social movements ... civil rights and the economic opportunity efforts of the Great Society, you will need every bit of the knowledge and the understanding you have absorbed in these four years.... and more.

The truly educated man above all else is aware of his own ignorance ... but strives throughout his life to overcome it.

Confucius defined true knowledge as knowing that we know what we know ... and knowing what we do not know.

And Plato said: "You are young, my son, and, as the years go by, time will change and even reverse many of your present opinions. Refrain therefore awhile from setting yourself up as a judge of the highest matters."

I would hope that you look upon the years ahead as post-graduate years of continued learning, of sifting facts out of myths, of separating reason from emotion, of overcoming prejudices of every kind with ever-increasing understanding.

If you and the thousands of others who leave the formal halls of learning this spring will cleave through life to the university's ceaseless adjuration to worship truth and reason, then--even though this is a frequently complex, confused, and calamitous world--mankind need not fear the future...provided that you are prepared to act and to lead, once you have done your disciplined best to reason out the best course of action.

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There is much to be optimistic about as we look to the future on this 11th day of June, 1966.

We live, you and I, in a better Nation than my parents and your grandparents knew. And ... as the Congress works with the President to enact into law the progressive, humane, and far-visioned legislation of the Great Society ... it's becoming an even better Nation every passing day. Already this session, the Congress has passed more than a third of the 91 major legislative recommendations of the President. These, and many more set for early action, will bolster and supplement the great legislation enacted last year.

We live, you and I, in a better world--for more people--than ever before in history.

We live, you and I, in a great age.

But as the novelist Lillian Smith once observed:

"There is always a dark underside to every age, a festering, ill-smelling slum where man's enemies and errors breed."

She recalled that the age that produced Rousseau and Locke, Voltaire, Thomas Paine and Thomas Jefferson also saw slavery sending its roots into American soil, colonialism exploiting Asia and Africa, widespread belief in ghosts and witches, persecution of the physically and mentally handicapped, and dread diseases looked upon as punishments by God.

Yet, she noted, "The germinal ideas this age brought to life, the vision of man's possibilities which it communicated to the future in impassioned words and symbolic acts, will never die. They are, today, a part of the human heritage. And will remain so as long as men live on this earth ... An age is remembered for those qualities it dramatized which enlarge horizons and give a fine ambience to man, himself."

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Our age, yours and mine, already has been given many names -- the Atomic Age, the Space Age, the Age of Cybernetics -- all symbolic or suggestive of man's magnificent outreach in sophisticated learning and achievement.

But when another age reviews our history, will we be remembered for the sophistication of our science? Or will we be remembered for having accomplished something so basic, so elemental -- yet so crucial -- that all other achievements pale in the contrast?

Look about us. Ask yourself -- "What is the greatest challenge of our age?"

The conquest of space? Final victory over disease? Permanent peace?

All great goals, to be sure. And all to be sought.

But, no, the greatest challenge of our age is to meet -- and defeat -- the threat of famine in this world ... to banish hunger from the earth in our time.

If we fail, ahead lies global catastrophe and another Dark Age.

If we win, this age, our age, could well be immortalized as the Age of the End of Hunger ... and all the succeeding ages of man will call it blessed.

I'm sure all of you have read at one time or another in the newspapers -- or heard on radio and television -- something about the War on Hunger -- the Race Between Food and People.

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Perhaps you paid little attention. In the fun of growing up ... and in the discipline of formal learning, you may have missed its significance.

So I am here today to tell you that the greatest food crisis in the history of man will occur in less than 20 years -- unless something is done about it in the here and now.

By 1984 ... and the ominous Orwellian connotation of that date is simply coincidental ... the crisis will be upon us.

Precipitating this crisis is the population explosion of the post-war period. People, millions and millions of new people with each fleeting year, are outstripping food production throughout the world.

It took from the beginning of time until the start of the 20th Century to put the first billion people on earth.

But it took only the last 66 years to add two billion more!

And still another billion will be added in the next 15 years.

By the turn of the new century today's population will have more than doubled!

And in the counterfact lies the terror.

Total world-wide food production in 1965 was the same as it was in 1964. But in 1965 there were 63 million more mouths to feed ... enough more new people to populate another country the size of France.

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You may be wondering where all the new people came from all of a sudden. What caused the acceleration in world population?

The big explosion actually was touched off as recently as the 1940's, and the fuse was the sudden availability of pesticides and miracle drugs.

Once DDT and the antibiotics gained widespread distribution, death rates dropped with dramatic abruptness. More and more infants survived the hazardous early years, and more and more adults won a longer life-expectancy. In Ceylon, for instance, the death rate was reduced by 40 percent in a single year through the use of DDT in malaria control.

Immediately after World War II, the death rate in the developing nations of the world was 30 per thousand. It is now only 20 per thousand. It does not really take much, you see, to lower the death rate and increase the life-span in those nations where the average life expectancy has been only 32 to 35 years.

This is the prime reason why 80 percent of the post-war population explosion has taken place in those countries least able to support it.

But if science has added years to the lives of those living in places where famine is most imminent, then what price progress?

For while man has learned how to prolong life ... he has not kept pace in his efforts to sustain it.

It is now clearly evident that, if the population explosion is not muffled and if food production is not increased, all of the combined food

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production, on all of the acres, of all of today's agriculturally productive nations will not be able to meet the food requirements of the less-developed countries by the mid-1980's! This despite the fact that if modern farming techniques were effectively used by the less developed countries hunger would be overcome tomorrow.

Thanks to the productive genius of the American farmer, we in this Nation have more than enough food and food potential to survive in comfort ... if we are willing to turn our back to the world.

We know we cannot do that. We know our moral principles and our humanitarian traditions would not allow us to eat well while millions of our fellow men starve.

But beyond that, we are a practical people. We know that we cannot buy national security by retreating from a world exploding all around us from the pressure of famine and frustration, deprivation and desperation.

There can be no peace without security. And there can be no security in a world gone mad with hunger.

No ... if we want peace in our world ... and in our time ... it must be a peace based on economic and political stability around the world ... and on the firm hope of all mankind for someday achieving global plenty.

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Can it be done? Yes, it can be done. But it will require a dramatic new approach...and relentless determination.

The historical methods of redressing imbalances between food and people no longer apply. Civilized man cannot, for instance, tolerate war and famine as measures of population control. And there are few places which can adequately accommodate immigrants. And it is not realistic to expect a developing nation to increase its export earnings to buy food before it is producing enough to trade.

This, then, would seem to leave the hungry nations only two options for survival--continued dependence upon the resources and the generosity of the developed nations--or increasing their own agricultural production.

In the past 11 years, the hungry nations have turned more to us than to any other beneficent nation. Under our Food for Peace program we have delivered 150 million tons of food...valued at more than \$15 billion...to needy and disaster-struck nations. Through this program we have saved millions from starvation at the same time we were reducing our grain surpluses to manageable proportions...and at the same time we were stimulating world trade in agricultural commodities.

But in certain respects, Food for Peace was self-defeating. Some hungry nations grew too dependent. Some too complacent. Too many neglected their own agricultural development, and, heeding well-meant, but faulty advice, concentrated on industrial development. This was wrong. In the context of the growing gap between people and food production, it was more than wrong. It was dangerous.

Most of the political economists throughout the world have now reached a consensus Daniel Webster reached by himself more than a hundred years ago.

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"When tillage begins," Webster said, "other arts follow. The farmers, therefore, are the founders of human civilization."

Contemporary economists now put it this way: The key to bringing needy nations to full economic development must be a sound farm technology.

This is true, for we now know that only the developing nations can save themselves. We know they must do it with their own hands and their own land ... with their own reliance and their own resources ... with their own courage and their own crops ... with their own wisdom and their own will. But supplemented -- in the interim until they reach a point of self-sustenance--by our continued material and technical assistance and advice ... and by our enthusiastic encouragement.

This is the only answer, for we know now, too, that despite our vaunted abundance and productive capacity, we cannot continue to feed the hungry world much longer. There is a limit to our capacity, and when that limit is reached in less than two decades, famine will truly stalk the earth -- unless the hungry nations have self-helped themselves to survival in the intervening years.

The far-reaching, imaginative, humane and practical Food for Freedom proposal which the President has laid before the Congress as the logical successor to the Food for Peace program, which expires this year, is specifically geared to help the developing nations help themselves.

Under this program the United States will provide increased technical and capital assistance--along with food--to help those nations which demonstrate a determination to undertake effective programs to increase their own ability to provide food for their people.

Our country will help fill the gap in their food and fiber needs during the time they are developing these programs ... and until they reach a self-reliance where they can produce or buy what they need.

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And we will continue the best provisions of the Food for Peace program -- emphasizing international trade and building markets for American farm products, along with increased emphasis on combating malnutrition whenever and wherever it saps a nation's vitality and a people's health and vigor.

This new emphasis on self-help does not signify a hardening of our food assistance policy.

It does signify a determined effort on our part to provide the only kind of assistance which can win the War on Hunger.

Victory in this effort will save more lives than have been lost in all the wars of history. Victory will give millions of people in the developing nations the opportunity to realize their urgent aspirations for a higher standard of living under new found freedom. Victory will assure the highly developed nations continued growth under conditions that make their freedom ever more secure.

Victory will solve the most remorseless problem of this generation.

Victory will earn this age its rightful title: The Age of the End of Hunger ... The Age of Peace and Plenty.

As I wish this Class of 1966 Godspeed, I call upon your yet uncompromised consciences, your yet unflawed faith, your yet unsullied hopes, your yet unspoiled idealism and your yet uninhibited altruism to dream the big dream about a better world ... for dreams, as Henry Thoreau rediscovered, are, indeed, the stuff of life. And now I leave you with his words:

"I learned this, at least, by my experiment at Walden; that if one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours ...

(more)



In proportion as he simplifies his life, the laws of the universe will appear less complex, and solitude will not be solitude, nor poverty poverty, nor weakness weakness. If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them."

And now it is time for you to put the foundations under your dreams.

I wish you luck.

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Statement  
of  
The Secretary of Agriculture, Orville L. Freeman  
before the  
Senate Committee on Agriculture  
2:00 p.m., June 15, 1966

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Mr. Chairman, Members of the Committee:

The Food for Freedom Bill, as passed overwhelmingly by the House of Representatives, is, in my opinion, a great step forward. There are a few points where we would suggest some change or modification but in general this Bill does a notable job of providing practical means to expand agricultural trade, feed hungry people, and further world economic development.

I am particularly pleased to see that the Bill incorporates two basic new principles which, to the best of my knowledge, have strong nationwide support. These are principles which I discussed with the Committee when I met with you on this legislation back in March.

One of these new features is the emphasis on self-help. The last thing we want is for the food aid program to become a permanent dole. Food aid countries must use our assistance as a development tool, not a crutch. Thereby they will speed up the time when they can get by without assistance. This the new Bill will help to bring about. It is our main target.

The other new feature is the elimination of the "surplus" concept. A few years ago there was valid reason for this concept. We had excessively large supplies of a number of farm commodities. We were looking for constructive ways to move them into world trade and Public Law 480 as originally constituted was a helpful answer. For all but a

very few commodities, however, we have successfully cut the surpluses to manageable size, and today we no longer live in a surplus agricultural economy. The new Bill gives practical and forthright recognition to the need for programming "available" commodities as a self-help instrument, rather than the now outdated concept of programming "surplus" commodities.

In all my discussions of the Food for Freedom proposals -- in and out of Congress -- these two basic principles have commanded widespread support approaching unanimity. This is as it should be, for they are two of the most important building blocks in the proposed legislation. I sincerely hope and trust that this Committee will give them the same strong approval that they have received up to now.

In general, the Administration is highly pleased with the progress made in this legislation. What I am about to say about certain features is by way of constructive criticism. I think we are in close agreement as to the intent of the proposals I would recommend changing. My suggestions have to do with adjustments which I think will be beneficial in achieving our common purpose.

There are three areas in the Bill which I would propose changes:

One of these has to do with the definition of "friendly nations";

Another has to do with the marking of food sold for local currency;

The last concerns the number of years the Act would be extended.



Friendly Nations

We recognize the inconsistency of any program which would permit the United States to give food aid to a country which in turn deals actively with a country which is our enemy. We support the intent of the Bill which is to keep this from happening.

The Bill as drafted, however, poses certain tough problems in administration. It would be extremely difficult and sometimes impossible to determine which nations were selling or supplying materials that might move into North Vietnam and Cuba. We are not equipped to do this sort of policing -- and, as we know, a law on the books that is not enforced is worse than no law.

Also, this language would set up restrictions upon other countries more severe than the restrictions we impose upon ourselves. We are able, under our own authorities, to supply food and medicines to Cuba if we determine it is in the national interest to do so.

We recommend that the law not include an absolute bar on selling food to a country which is selling or shipping materials to North Vietnam or Cuba, but that guidelines be laid down which would require the President, in determining whether food is to be sold to a country under this Bill, to take into account whether the country is selling or shipping materials to North Vietnam or Cuba and, if so, the quantity and nature of those materials.

Marking of Foods

Another feature of the Bill which we do not think is practical in actual application is the requirement that a foreign country must try to mark commodities bought for its own currency and identify them as made available on a concessional basis through the generosity of the American people.

Here again I do not question the intent of this feature of the Bill. For many years, under certain of our food donation programs, particularly those of the voluntary agencies, bags and boxes of food have been clearly identified as gifts of the American people. And I think the effect has been good. These clearly marked gifts have served as tangible evidence of our nation's generosity and have helped us to win friends around the world. This would continue.

But Title I foreign currency sales under the new Bill are far different in their operation from the donation programs. For the greater part, Title I products do not lend themselves readily to marking with a USA label at the foreign consumer distribution level.

As the Committee knows, foreign currency sales account for the biggest part of the food aid program -- over the years, about two-thirds. These products move overseas almost entirely in bulk. In the recipient

country, they may be co-mingled with like products produced in that country and may completely lose their identity. This is frequently true of wheat and coarse grains. It is sometimes true of rice. It can be true of any commodity we ship. It would often be extremely difficult for a nation, no matter how cooperative it might be, to sort out and clearly identify those portions of its foods that originated under our foreign currency sales program.

Furthermore, we need to consider the fact that foods received by countries under foreign currency purchases are distributed mainly through their regular commercial channels. As part of our economic development support, we try to encourage efficient operation of these distribution channels. If the food distribution companies of these nations had to maintain two different sets of identities in the products they handle -- one being home-grown food, the other under aid programs from USA -- it would lead to inefficiencies rather than the greater marketing efficiency that we encourage.

I recommend, therefore, that lines 16 through 22 on page 6 of the Bill be deleted. In its place I recommend there be substituted the requirement that the Government of each recipient country, as part of each food aid agreement, will agree to publicize widely to its people, through the public media, the fact that it is receiving our agricultural commodities on a concessional basis through the generosity of the American people.



Time of Extension

Our third and final request is that the legislation be extended for 5 years.

We regard this as very important in attaining the goals of the new program, particularly the self-help feature.

What we will be doing in the new Food for Freedom program is to ask foreign countries to dedicate large amounts of their resources to agricultural improvement, much more than they have ever done before. Frequently this will require them to exercise an unusual amount of economic and fiscal courage. But there is a limit to how far any government can go. If we say to a country, "We will work with you on a 5-year basis," it can set up an effective long range program in which it uses scarce foreign exchange to buy agricultural inputs and deliberately moves from buying food with soft currencies to buying with dollars. But if we say, "We can work with you only on a 2-year basis," the tendency will be to cut back on plans accordingly.

I think a 2-year program will definitely retard the attainment of our most basic goal, which is to encourage and assist aid nations to become trade nations. A 5-year program will help us reach that goal, faster and more effectively.

Therefore, we request that line 23 of page 25 of the Bill be changed to read "December 31, 1971."

In this same context, we sincerely hope that the Committee will preserve the existing payment provisions of long-term dollar-credit sales. This authorization, as now drafted, would enable us to sell agricultural commodities to eligible countries on government or private trade basis with payment periods up to 40 years and with interest at rates comparable to foreign assistance loans



and grace periods of up to 10 years.

This provision is extremely important.

Many of the countries with which we are dealing are very poor by any standard. We expect them to improve their economies substantially over a period of time, but as our own development history shows, this process must be measured in terms of a number of years. If we expect to accomplish the transition from sales for foreign currency to sales for dollars over the 5-year period through December 31, 1971, as provided in the Bill, we must offer sufficiently liberal credit terms to the poorer recipient countries. Some countries will not be able to achieve the transition to dollar sales if we hold out for harder terms which they cannot realistically accept.

A move to limit credit sales to a 20-year period would seriously hamper our efforts, and the efforts of developing countries, to make the transition to dollar sales by 1971. We should not jeopardize such a key objective of the Bill.

An authorization permitting payment over a 40-year period does not mean that all sales will be on this basis. We know from experience with the current program that many will be for much shorter periods. But we do need this flexibility in order to tie in our own export sales objectives with the development objectives and repayment abilities of the countries that buy from us.

I would point out, too, that agricultural products require these 40-year export credit terms in order to be on a par with American industrial products which are sold under 40-year dollar loans under the current AID legislation.

These long-term AID dollar loans are used for providing foreign exchange

for the import of a variety of non-agricultural commodities. In fiscal year 1965 the value of such loans was over \$400 million. U.S. commodities purchased for overseas use included fertilizers, petroleum, textiles, pulp, paper, and others. Like agricultural products, these are consumable items. The credit terms they receive should be made available equally to agriculture -- which, I am glad to say, the Bill as it now stands would do.

### A Look Ahead

I do not think I am being overly dramatic when I say that we are working here today not only on agricultural and trade plans but on a civilian type of battle campaign as well. This is the battle campaign against world hunger.

There are essentially only two fundamental kinds of struggles in the world today. One is the struggle for men's minds. This struggle presents a visible enemy -- the communist camps, wherever they may be. The other is the struggle for food. This struggle presents an enemy that often is invisible -- for hunger and malnutrition are not always apparent to the naked eye.

Furthermore, these two types of struggles are closely interrelated. Where people are hungry, we may count on it that they will be unhappy. Where people are unhappy, the communists invariably try to move in, for their philosophy breeds on dissatisfaction.

Therefore, what we can do to eliminate hunger through the Food for Freedom program at the same time helps to eliminate the breeding ground of world communism.

American agriculture is uniquely equipped to help supply material for this war against world hunger. Time is running out but in this period of history

we still have extra acres of land which we can put to work, as needed, to produce the grains, the oils, or other products which can help less developed countries get their own agriculture and their own economy moving forward. American food today can be the key factor in building American cash markets tomorrow.

As a nation, I think we sometime overlook the unique strength and ability that our agriculture has developed. Everyone knows about and takes certain pride in our accomplishments in the field of nuclear science. But the facts of life are that the communist world is right abreast of us in nuclear competition. In the field of agriculture, however, they have never learned how to be strong competitors. We are outdoing them in every respect. We are clearly out in front.

In my statement before this Committee in March, I concluded with a forecast of the future as we have the ability to shape that future. My ideas on that forecast have not changed since March. I would like to conclude now on the same note.

I mentioned then, and I would like to repeat now, a quotation from our Department of Agriculture publication, World Food Budget, 1970: "The race is not so much one between population and food supply but a race between what could be done and what will be done."

What could be done has been largely determined by scientific and technological progress, here and around the world.

What will be done can be influenced in a large measure by the actions of this Congress on the pending Food for Freedom legislation.

As I said earlier, this Bill in general gives us the elements of an excellent program. Under it I foresee in the years ahead:



-- a likely increase in our food aid programs, as they are used to meet the deficit in those developing countries that make a major effort to increase their own food production.

-- a consequent corresponding increase in American farm production, responsibly carried out under our flexible farm programs. As I see it, some, but not all, of our diverted acres will be needed in the years immediately ahead.

-- a gradual shift from aid to trade, under which our declining exports under Food for Freedom will be more than made up by expanding exports on commercial terms. These increased exports for dollars would be a product of the development that our food aid had helped to bring about.

Since agricultural progress would stimulate accelerated economic growth in the developing nations, I would hope to see higher standards of living, rising incomes, and a growing volume of international trade. I would expect a more rational pattern of international trade to develop. I would expect the American farmer to substantially increase his dollar exports of those products for which we have a real comparative advantage.

Most important of all, I would look forward hopefully to a future in which peace would be more secure and freedom more widely sought and gained.

We have here an unparalleled opportunity to use our agricultural abundance in ways that benefit us and our friends around the world.





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3 I am pleased to have the opportunity to take part in this conference for the advancement of "Creative Federalism." There is certainly no question but that the increasing complexity of modern society requires a steady growth in mutual understanding and clearer lines of communication among national, state, and local government.

About eight years ago, when I was Governor of Minnesota, I attended the Annual Governors' Conference at Miami Beach and made a speech there. While I hope it is not an indication that I am unduly impressed with my own words, I would like to quote a passage from that talk which I believe is as applicable today as it was then.

This is the quote:

"In the imagery of many people our American government appears like a cake with three distinct layers, the top labeled federal; the middle, state; the bottom, local.

"The truth is that our government is not like that at all. In reality it is -- in the apt metaphor first used, to my knowledge, by Professor Morton Grodzins of the University of Chicago -- like a marble cake, in which the several levels of government are intertwined and interlocked. We can no more separate functions and label some federal and others state and regard such division as forever immutable than we can separate the states themselves from the Union. To attempt to isolate functions and assign them to one or another level of government is to attempt the impossible....

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Remarks by Secretary of Agriculture Orville L. Freeman at National Legislative Leaders Conference, Indian Treaty Room, Executive Office Building, Washington, D. C., June 16, 1966, at 11:15 a.m. (EDT).

"The question to which we should address ourselves is not, 'How can we separate the functions and assign them to one or the other level of government?' Rather we should address ourselves to the question, 'How can we make the mechanism of intergovernmental relations work better?'"

In six years as a state governor I learned a good deal about the federal services available to Minnesota. But now that I am in my sixth year as an official of the federal government, I have come to appreciate how much greater and far-reaching the responsibilities and programs of USDA are than I knew then -- and also how impossible it is for the USDA to carry out its programs and responsibilities without close cooperation in the state and local areas.

In the time allotted for these introductory remarks I could hardly enumerate, much less explain, the many functions of the Department which involve state and local cooperation and participation. We have, however, prepared a list of such activities which I will make available to you.

As you will see from this list, USDA is far more than an agency to promote the interests of farm people. It serves all our people -- including farmers. It provides more services -- for all our people -- than any other government agency in the country or, I believe, in the world. It is charged with carrying out more regulatory services and programs -- for all our people -- than any other agency of government.

Among a great many other things the USDA --

Carries out the biggest emergency feeding programs in the world.

Lends more money than the biggest bank in the world.

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Administers the biggest recreation complex in the world.

Sells more timber than the biggest lumber company in the world.

Operates and maintains the biggest fire department in the world.

These are just a few of what we might call USDA "spectaculars."

Obviously, they affect the citizens of every state, every county, every local area.

The other day I opened at random the Directory of State Departments of Agriculture Functions and Services -- which shows the basic services administered and financed jointly by the USDA and the State Departments of Agriculture. I found myself looking at the programs we carry out jointly with Arkansas. Under the category of enforcement alone I counted 14 separate programs -- including such activities as control of brucellosis and tuberculosis, hog cholera, and bollworms and eradication of cattle ticks, fruit insects, grasshoppers, and so on.

And the enforcement functions are just one category out of a whole battery of activities we carry out in cooperation with the states.

It's interesting to note that the only law requiring USDA cooperation with the State Departments of Agriculture on market, service, and regulatory activities is in the Research and Marketing Act of 1946 -- and it applies only to the funds appropriated to carry out the purposes of that Act.

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Most of the cooperative work carried out between the State Departments of Agriculture and USDA is voluntary. This underscores the importance of clear communication and mutual understanding -- to make the mechanism of intergovernmental relations work better.

Let me point out a few of these areas of cooperation.

We have joint programs with every state for animal disease control and eradication. Due to these programs, brucellosis in cattle, once an extremely costly disease, has been completely eradicated in 9 states and the Virgin Islands and greatly reduced in all other states.

The screwworm which formerly cost Southeast livestock producers losses of some \$10 million to \$20 million per year has been wiped out in that region.

Hog cholera which costs the swine industry about \$50 million a year -- and which kills over 95 percent of the swine that become infected -- is constantly under cooperative attack.

Our Consumer and Marketing Service has one or more cooperative agreements with every state. These include 333 agreements on inspection and grading of agricultural products.

Cooperative market news programs are jointly conducted in 43 states covered by 62 agreements.

We have a standard cooperative agreement on the Federal Seed Act in effect in all 50 states.

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To improve administration of the Packers and Stockyards Act, we have 27 federal-state agreements with 23 states. These keep federal and state regulatory agencies better informed and reduce duplication of effort in enforcement activities.

Many marketing problems occur at state level. These are attacked through projects proposed and carried out by state departments of agriculture, but approved and partially financed by USDA. This year under the Matched Funds program we contributed \$1.75 million to help 44 states plan and carry out 154 projects.

Our food assistance programs, including school lunch, special milk, family food donations, and the food stamp program, are all carried to U. S. communities by state and local authorities. We supply the foods, the cash, and the food coupons, but it is the state departments of education, distributing agencies and public welfare staffs, who make it possible for us to help over 40 million Americans obtain better diets through these activities.

Our Forest Service cooperates with 49 state foresters to protect and improve 450 million acres of state and private woodlands. Only about 7 percent of all state and private forests do not have this joint fire protection. In the past 5 years 55 percent of the total area burned has been on this 7 percent of unprotected forest lands.

Working with the states and private individuals our Forest Service helped plant more than a billion trees on over 1,200,000 acres last year.

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You may not know that one-fourth of the cash receipts from the national forests -- and these receipts amounted to over \$147 million during fiscal 1965 -- are returned to the states for schools and roads.

Our Soil Conservation Service provides technical assistance to some 3,000 local Soil Conservation Districts.

Almost everyone knows something about the extension work which is jointly carried out by the USDA and the states. You probably do not know, however, that in 1964 the Federal Extension Service started a nationwide educational campaign on the proper use of pesticides. All the states now have committees to coordinate this pesticide educational work.

Extension is helping State and county home economists work more effectively with low-income people -- teaching them nutrition, home management, child care, how to make clothing and how to use USDA donated foods and food stamps.

All these and many other activities are being carried out, we think, with considerable effectiveness.

Yet, we are far from satisfied.

The wide array of job opportunities, of public services and conveniences that have been, and are, available to people in our cities simply are not available in equal measure to rural citizens.

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This inequity -- this imbalance in the scale of opportunity -- has helped to bring on a population shift that has created monumental problems in both countryside and city.

In a trickle that gradually has become a torrent, rural people began to yield to economic pressures. They gave in to the desire to enjoy the public services and cultural opportunities that could be found only in the Big City.

They moved -- creating problems for the communities they left behind, and further irritating the congestion, social strife, and problems of suburban sprawl and inner city decay in the urban centers that received them.

In an effort to do our part in the way of correcting this imbalance -- in helping to solve the problems of both city and countryside -- the USDA has developed a legislative proposal called the Community Development District Act.

This legislation, which as a pilot program has passed the Senate and now awaits House action, will enable people in our open countryside and small cities to join forces in attaining for themselves the same broad range of opportunities and services that in most cases are available now only to urban people.

It provides Federal funds to hire planning specialists who will work hand-in-glove with city and county officials in the district, advising them of the community development assistance available from Federal, State, and private sources, and helping them obtain the aid they need.

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The money would go to a Community Development District Board, composed of persons appointed by the governing bodies of the participating city and county governments.

We expect the typical district to embrace one or more small or medium-sized cities, a number of towns, and the open countryside within easy commuting distance of, say, 30 to 50 miles, of the major center.

The law provides wide latitude for variations to adjust to the preferences of local people and to conform to varying conditions and legal requirements.

This will coordinate development activities within the district, and help us obtain the maximum possible return from each development dollar invested by the communities themselves and by the Federal and State governments.

When this Act is passed it will lean heavily upon the planning and development agencies of state governments for effective implementation.

We in USDA will do all we can to help. This is the special purpose of our Rural Community Development Service. The aim of this Service is to help bring to every state and rural county in America the economic, social, and cultural resources provided through programs administered not only by the USDA or by other agencies of the national government, but those provided also by state and local, public and private agencies.

RCDS will have a key role in helping the states and their subdivisions maintain communication with the federal government.

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And nobody is more aware of the need for ready communication among the various components of the intertwined, "marbled" texture of our governmental system than you leaders of the State legislatures. Last month President Johnson remarked that the 89th Congress is "the most productive ever assembled in this city." Indeed, this Congress has worked with the President to achieve an amazing breadth of legislative action that is unprecedented in our history. It ranges from Agriculture to Voting Rights ... and most of it, if not all of it, affects you and your States, directly and indirectly.

I began today with a statement of mine from 1958. I would like to close with this thought from the Report of the Commission on Intergovernmental Relations issued in 1955:

"The maintenance of a healthy federal system has two aspects. The states must be alert to meet the legitimate needs of their citizens, lest more and more of the business of government fall upon the national government. At the same time, the national government must refrain from taking over activities that the states and their subdivisions are performing with reasonable competence, lest the vitality of state and local institutions be undermined."

I hope these rather general remarks will stimulate your questions and comments concerning ways to improve our already close working relationships. My staff members and I will do our best to answer whatever questions you care to ask.

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7 I am delighted to be back in Iowa to help dedicate the Arlington Watershed -- another milestone in the conservation and development of our land and water resources.

First, may I congratulate Governor Hughes on his proclamation of Soil and Water Conservation Week in Iowa, following a tradition of many years. I agree wholeheartedly with his statement in that proclamation: "It is imperative that we continue to advance our cooperative efforts in soil and water conservation programs, particularly in small watersheds, where opportunities are presented to further this important work."

I assure Governor Hughes, and all the people of Iowa, that the U. S. Department of Agriculture is prepared and anxious to support local programs of resource conservation and development.

Iowa is a great conservation State. The Iowa Legislature, I understand, has appropriated more than \$690,000 for soil and water conservation in the current fiscal year. Local contributions total over \$160,000. This is in addition to the tremendous basic investment in land practices made by more than 82,000 soil conservation district cooperators in this State.

You have written an outstanding record of achievement since 1939 when districts were first authorized by Iowa State Law. The 100 districts that cover Iowa today represent a top-notch conservation accomplishment.

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Address by Secretary of Agriculture Orville L. Freeman at Arlington Watershed Dedication, Woodbury County, Iowa, June 18, 1966, 10:30 a.m. (CDT).

No one, observing the farm of our host today, Mr. Dwight Rawson of Kingsley, could fail to be impressed by the excellent examples of conservation land treatment that have been applied here. Our host is not only one of more than 1,500 cooperators in the Woodbury Soil Conservation District -- he is the nephew of Ralph Rawson, one of the first commissioners of the Woodbury district.

This entire Woodbury district has every reason to be proud of the flood retarding dams, the structural waterways, the basin terraces, and the 50 miles of farmland terraces completed or nearing completion, that have been established with Federal assistance.

The Little Sioux Works Committee, and the leaders and cooperators of all 12 soil conservation districts in the Little Sioux Watershed, also deserve hearty congratulations.

And I want to pay particular tribute also to Harold Nash of Kingsley, chairman of the Arlington Watershed Committee, and the other leaders of the Arlington Watershed project for the accomplishments that have been realized so rapidly since the project plans were initiated in 1962.

I am told that Mr. Nash established some of the most modern grassed terraces on his land this year. This is an example of applying 1966 conservation methods in 1966.

And this seems a good place to ask the question that I always like to put before gatherings such as this: Are you up-to-date in applying conservation measures on your land?

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This is no idle question. The American countryside -- that expanse of nature separating our cities and towns and rural hamlets -- represents all the land we have left to grow in, play in, and build on the American dream.

That is all we have; and when it is divided and divided again for the multiple needs of a nation growing rapidly in population, in urban development, in highway mileage, in an array of man-oriented uses alien to nature, this natural landscape that once seemed so limitless shrinks before us at every turn -- and we are made aware of a challenging crisis in the countryside.

The crisis we face is a crisis of quality in a nation whose people demand quality in the marketplace but have failed to provide for it in the natural environment.

It is a crisis of quantity in a land whose rich natural endowment has been vandalized to a degree of grave proportions.

But most of all it is a crisis of people -- the tragic loss of young minds and spirits, of evolving skills and talents.

The recognition of this crisis in the countryside has given birth to a new concept of conservation.

President Johnson expressed it in his message on Natural Beauty last year.

"Our conservation," he said, "must be not just the classic conservation of protection and development, but a creative conservation of restoration and innovation. Its concern is not with nature alone, but with the total relation between man and the world around him. Its object is not just man's welfare but the dignity of man's spirit."

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The concept of new conservation says that -- as populations grow and people live in greater and greater concentrations -- we must consider the total environment and not just those values that can be measured in dollars and cents.

When we consider the total environment, we must take account of what conservationists call the "vulnerable" values. These values -- including wild-life, the beauty of nature, space for growing and living, pollution control, and recreation -- are especially vulnerable because it is hard to measure them in dollars and cents.

I believe we are seeing a definite blossoming of concern for such benefits -- benefits that are essential if we are to enjoy an environment of real quality. The President has dramatized the importance of these values in his call for a Great Society. The First Lady has directed our attention especially to the importance of beauty in the environment. And throughout the Nation there is a growing feeling that our generation has a special responsibility -- in a world of change -- to protect the qualities of environment that have enduring value in our civilization.

Along with the new concept has come an awakening -- a greater awareness -- in conservation today.

Conservation has moved from the province of the few to the embrace of millions. This is as it should be. Yet I cannot help asking myself -- with considerable anxiety -- is the awakening sufficient? Is the awareness adequate?

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Let me illustrate how thorough that awakening must be ... how keen that awareness must become. Let me point out the dreadful consequences of apathy.

If, by 1985 -- less than 20 years from now -- we continue our present trend toward piling up more and more population in less and less space, there will be as many people in our 216 largest cities as there were in the entire Nation in 1960.

This would mean more social and economic ghettos; more urban sprawl on the edges of cities created by those who can run, but not very far, from the center; more impatient traffic inching along more congested streets; more smog in the air and more filth in the water; more devastation of the countryside.

It might mean a deterioration of the American environment that no amount of conservation could repair.

But, some may say, 20 years is a long time. So much can happen in 20 years.

Indeed, much can happen in 20 years -- but it is not true that 20 years is a long time.

It is now more than 20 years since the end of World War II. But many of us when we look back have the feeling, "Where did the years go?"

It is only 22 years ago that the Flood Control Act of 1944 was passed. And through much has been accomplished under that Act, I'm sure that those who sponsored that Act and fought for it until it became law thought that we would be much further along with flood control today, two decades later, than we actually are.

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Two decades ago, there was widespread concern that the Mississippi and the Missouri and other major rivers of the United States were becoming increasingly polluted. There was concern that the Potomac would some day be little more than an open sewer -- inhospitable to fish and wildlife and too dangerous for recreation. For 20 years too little was done, and now our worst fears have been realized.

We do enjoy a period of grace -- even now -- before the remaining vestiges of the American environment unspoiled by man are erased. We still have time to protect, restore, and develop that environment -- if we act with resolution and dispatch. But we do not have time to waste.

I am here today to emphasize the dream, the concept, the plan, and the accomplishment of the watershed conservation and development program over the past 22 years -- and to tell you that we must move ahead faster in the next 22 years.

The recent history of the soil and water conservation movement in America is an exciting chronicle of man's determination, dedication, and skill in overcoming the mistakes of the past and in enriching the land and waters that are at once his birthright and his responsibility.

I have mentioned the Flood Control Act of 1944, under which the Little Sioux and 10 other watershed projects in the Nation, comprising 31 million acres, were established. These large watersheds were divided into sub-watersheds for more efficient land treatment and planning of watershed construction measures.

Pressures for upstream watershed management led to a pilot small watershed program, approved by Congress in 1953.

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Through the efforts of soil and water conservation district leaders, and an informed and interested Congress, the Watershed Protection and Flood Prevention Act, Public Law 566, came into being in 1954.

The local-State-Federal teamwork for community-wide resource conservation and development resulting from this Act has had great impact across the land. It is an outstanding example of Creative Federalism.

What we have accomplished in two decades of watershed protection and development is, indeed, a monument to the men of vision, ability, and determination who made this progress possible.

In the original 11 watersheds during the 1965 fiscal year alone, work plans were prepared for 10 sub-watersheds covering nearly half a million acres. Through fiscal year 1965, 244 plans had been prepared for 19,454,000 acres, or about 63 percent of the total authorized area.

The Public Law 566 program is playing an important role in Iowa resource conservation and development. As of June 1, I understand, 29 small watershed projects have been authorized for operations assistance in a total of 41 approved for planning aid. Applications have been received for 65 projects.

It is such progress that should give us confidence and enthusiasm for the task that lies ahead. Progress made stimulates and heartens us to do much better.

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Cooperation at the local, State, and Federal levels has brought us a good piece along the road to sound conservation. Now we must build on that cooperative effort, and multiply it by heaping success on success as we have been privileged to do in the past.

To succeed in this mission we will have to carry the word far and wide that conservation -- the wise use and development of our environment in the countryside and the city -- is everybody's business. It is everybody's problem when greedy or heedless people waste our land, our forests, our fish, our wildlife -- dump raw sewage into our streams -- pollute the very air we breathe.

Let the word go forth that America as a whole has a stake in the proper use of soil whether privately or publicly owned...

-- has a stake in fish, game, and other wildlife on private as well as public preserves...

-- has an interest in parks, playgrounds, and other recreational areas in private or public hands...

-- is interested in natural beauty in our cities, along rural roads, beside a creek or mighty river...

-- is increasingly interested in having clean water, adequate water, but not floods.

The new concept of conservation cannot be achieved by government -- it can be achieved only by people -- people like you. Government can help -- government must help -- government in all areas local, State, and national.

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Government is helping. Last month President Johnson remarked that the 89th Congress is the "most productive ever assembled" in Washington. And indeed this Congress has worked with the President to produce an amazing breadth of legislative action. It is a great conservation Congress.

It has added 186,000 acres to our parks and nearly 100 miles to our national seashores. It has acted to beautify our highways. It has passed the first comprehensive anti-pollution measures in the history of the Federal Government.

And besides all this, i has managed to provide Medicare for the aged -- education legislation for the young -- economic opportunity programs for the poor -- voting rights legislation for the disenfranchised -- housing and urban development measures for people in the cities -- and the most progressive Food and Agriculture Act in at least 30 years.

Truly, this is an exciting era -- and there are exciting jobs to be done.

What could be more stimulating...more rewarding...than the great task of conservation in the broad sense in which we have viewed it?

For the well-being of the whole of the Nation -- farm, rural, and urban alike -- what greater contribution can be made to this and to succeeding generations than to render it possible for people to live in a rich and rewarding relationship with whe world of nature around them?

There is much to be done. You can do it. We seek only to help.

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I welcomed the invitation to come to Iowa to dedicate the Arlington Watershed not only because of the importance of such flood control projects ... but also because it gave me an opportunity, once again, to meet with farmers on their home ground.

I say once again because from the time I was governor of Minnesota I've made it a practice to make periodic reports to the people -- where the people live.

Unfortunately, the hectic pace of Washington when Congress is in session prevents my making these field trips as often as I'd like. In the past few days, for instance, I've been called upon to testify on Community District Development, REA financing, Child Nutrition and Food for Freedom legislation. I've had meetings with a number of ambassadors, a session with the executive Secretary of GATT on the complicated Kennedy Round trade negotiations, and a number of departmental meetings.

All of these things are important ... very important, But in a very real sense, none is more important than what I'd like to accomplish today.

I want to communicate with you directly. I want to answer your questions and advise with you. I want to talk to you directly and frankly about what we've been doing in Washington ... and I want you to tell me frankly what you're thinking about in Iowa.

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Report and Review Session statement by Secretary of Agriculture Orville L. Freeman at Spencer, Iowa, Saturday, June 18, 1966, at 2 p.m. (CDT)

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Distance, as you well know, too frequently distorts communication. And it's a long, long way from Washington, D.C., to the Corn Belt.

The mail I've been getting from Iowa recently indicates there's some misunderstanding, some apprehension, and even some discouragement here.

I think a lot of this misunderstanding, and much of the apprehension, is due to misinformation ... and that's why I am glad to talk with you directly.

Some misinformation may have come to you innocently, passed on by the unknowing or the unthinking. Some misleading reports have appeared in certain big city newspapers. And still other faulty information has been exploited for political purposes, in this election year, by those who would like nothing better than to break up the effective working relationship between the farmers and their government.

We can't let this happen. Without this working partnership, we won't be able to continue to move forward in our joint struggle to achieve the common goal -- full parity of income for the adequate size family farming operation.

So beware of those who belittle the progress we've made these last five years. Remember that most of them are the same people who were telling you the farmer never had it so good in those bleak years between 1952 and 1960 when prices dropped through the floor and surpluses pushed

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through the ceiling. Their real purpose is not to improve the farmers' prices ... but to destroy the voluntary programs we have struggled so hard to build. So beware!

I said we were engaged in a mutual struggle. And I used the word "struggle" deliberately. It has been a struggle. It will continue to be a struggle. Progress is made in inches; and each inch must be fought for with every resource we have.

None of us can afford to forget for one minute that the mass movement of people from the country to the city has left only a few to speak for the farmer. Our political power as such is seriously eroded.

But those few, the record will show, have spoken effectively. We may not have much political power left, but we have been persuasive.

From the passage of the first emergency Feed Grain bill in the early months of the Kennedy Administration, a consistent record of significant farm legislation has been written the past five and a half years.

In that period, no less than five major bills, one each congressional session, have been passed to reduce grain surpluses and increase farm income.

The biggest and the best of these, the Food and Agriculture Act of 1965, gave us that final flexibility we needed to move acres in and out of production with economy and efficiency ... and to produce, once more, for the marketplace -- instead of for the storage bin.

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Have they worked, these programs, that we fought together to sell and to pass? Have they reduced surpluses and increased farm income?

Let's look at the record:

Five and a half years ago we had on hand 1.4 billion bushels of wheat and 85 million tons of feed grains. We had enough wheat at that time to meet more than a full year's domestic sales demand and Food for Peace requirements. And a new crop was about to be harvested.

Who would have believed, back then, that by the spring of 1966 the wheat surplus would have been reduced to approximately 550 million bushels and the feed grain surplus to 50 million tons ... and that the President and the Secretary of Agriculture would be announcing -- as we did in May -- a sharp increase in wheat acreage and production?

Today we are entering a new era in agriculture, an era of producing what we need, when we need it ... an era in which mountainous surpluses no longer will depress farm prices and gouge the taxpayer.

So it now appears we're well on our way to achieving the first part of the double goal we set for ourselves in 1960.

Now how about the other part, the part that directly affects your pocketbook? Have we succeeded in raising farm income?

The little cards you received today tell the story at a glance.

Any way you look at it -- gross, net, or per capita -- farm income is up.

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Moreover, the increase has been consistent and national in scope. This year of 1966 is going to be much better than last. And 1965 was better than 1964. And the past five years have been much more prosperous for farmers than were the give preceding them.

But I didn't come out here just to "snow" you with statistics. I promised you a blunt, frank, report today, so while I paint a generally optimistic picture of progress... I'm going to shade in some dark spots as well.

This year farmers will realize a record-high gross farm income. Through April, cash receipts from farm marketings were 13 percent above a year ago, and for the year may total about \$2 billion more than in 1965.

Here in Iowa, cash receipts from farm marketings totaled an estimated \$1 billion for the first four months of this year. This was 10 percent higher than for the same period in 1965.

Nationwide government payments to farmers are also expected to increase by about \$1 billion. Much of this increase, however, reflects changes in the makeup of farm program...and not an increase in government costs.

Offsetting much of the increased payments to farmers will be the lower 1966 price-support loan levels for cotton, and the reduction in payments to domestic cotton users and to exporters of cotton and wheat.

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The improvement in gross farm income this year will roughly correspond to the gain from 1964 to 1965. From 1961 through 1965, gross farm income averaged 14 percent above the high-surplus and low-income years of 1957 through 1960.

Cash receipts, the major component of gross farm income, are determined by the price the farmer gets for his products, and the volume of his farm marketings.

Most of the  $14\frac{1}{2}$  percent gain in cash receipts between 1960 and 1965 can be attributed to greater volume marketed -- and not to significantly higher prices. The volume went up 10 percent during those years, but the index of prices received by farmers increased only 4 percent.

And here is the first thorn in the rosy picture.

Farm prices, as every farmer knows, and not enough newspapers and too few consumers know, have not risen at the same pace as other prices in our booming economy. Indeed, while we have made some heartening gains in the past five years, farm prices are still 14 percent below what they were in 1952.

In recent weeks, I've said time and again that that statistic alone, coupled with the fact that the farmer receives only 41 cents out of every dollar spent for food, refutes the charge that farmers are contributing to inflation.

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Consumer food price trends in the United States, as a matter of fact, have been much more stable than in any of the other major industrial countries except the United Kingdom. Because food is such a bargain, (the real cost of food has dropped since 1960), American consumers today have more than \$8 billion to spend on other things than they had to spend in 1960.

Now here's another ~~thorn~~ we must face up to!

While farm prices have not gone up at the same pace as the prices of other products and services, farm production cost rates have gone up at a swifter pace.

In the past five years prices paid by farmers have risen 8 percent, an increase somewhat higher than the consumer price index. Therefore, it outpaced the 4 percent rise in the index of prices received by farmers.

Thanks to greater efficiency and government payments, however, the adjusted parity ratio is still higher than it was in 1960 and net income is considerably improved.

And while I'm on the subject of farm expense, it might be in order to call the general public's attention to the fact that farmers, as a group, are the Nation's biggest consumers of goods and services, and, as such, have a real stake in controlling inflation. Last year, for instance, they spent more than \$30 billion for their farm business and another \$12 billion on consumer items. City people, unfortunately, don't seem to appreciate this the way they should.

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Nor are some city people, and some newspapers, always alert to this distressing statistic. Farmers still lag behind non-farmers in income. Despite the fact that the income gap has been narrowed by 18 percent since 1960, on a per capita basis farmers still earn only two-thirds as much as non-farm people.

So while there has been progress, the farmer is still seriously underpaid, and until that disparity in income is finally overcome, none of us can be satisfied. My goal as Secretary of Agriculture has always been and will continue to be -- full parity of income for the adequate size family farming operation.

We won't reach this goal easily. We know that. We know how we've had to struggle for effective farm legislation in the past. We know how hard all of us, farmers, sympathetic Congressmen and Senators, the Department of Agriculture, had to work to get what we've got in these past five and a half years.

For my part, I've worn out a dozen pairs of shoes walking the halls of Congress. I've begged, wheedled, cajoled and argued for the crucial support of city Congressmen and Senators. And we got that support. If we hadn't, we couldn't have passed a major farm bill every year since 1961. And if we hadn't passed those farm bills, we would still be burdened with heavy surpluses and 1960 prices.

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Let us never forget--you can't pass a farm bill any more without city votes. What our city friends think about us becomes more important every year.

The point I am trying to make is that while the going is tough -- it is not impossible. That in the face of considerable odds, we have made progress -- much more progress than I believed possible just five and a half years ago.

We've made that progress because we've worked together. If we continue to work together ... if we continue to communicate with one another and understand each other ... if we refuse to let thoughtless or malicious elements drive a wedge between us ... then that record of progress the past five and a half years can continue and our goal of full parity of income for the farmer can be reached in this decade of the 1960's!

For despite rising production costs, despite farm prices which have not kept pace with other prices, despite the still existing income gap between farmer and non-farmer, today's farmers are making progress ... and most are making money.

Just the other day, the President noted just how much progress has been made. He said that back in 1932, when he first came to Washington, the average farmer was clearing \$304 a year. Converted into today's dollar that \$304 would buy \$868 worth of goods.

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But, the President observed, the average farmer today can actually buy \$4,280 worth of goods ... for his purchasing power is 400 percent greater now than it was in 1932.

The President ought to know. For 35 years he has fought for every major piece of legislation to help the farmer.

Realized net income, what the farmer has left over after he pays his production expenses, has improved substantially in the last five years.

Net farm income has climbed from \$11.7 billion in 1960 to an estimated \$15 billion plus for this year. This latter figure represents the highest level of net farm income since the immediate postwar years.

This year's increase will raise the income per person on the farm 44 percent over 1960. And the gain in averaged realized net income per farm in the 1961-65 period is 29 percent over what it was the previous four years.

Every major region of the country has enjoyed this income rise.

Here in Iowa, gross farm income increased 24 percent between 1960 and 1965, and gross income per farm climbed 38 percent in the same period.

Realized total net farm income for the State rose 33 percent, climbing from \$708.4 million to \$940.4 million, and realized net income per farm jumped 47 percent, from \$3,850 in 1960 to \$5,665 in 1965.

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These figures are, of course, averages taken from official records of the government. There are many individual exceptions. But in the overall they represent striking progress.

Permit me to emphasize again that these income gains did not just happen by themselves. They came about through accelerating farm production efficiency, through farmer participation in Federal farm programs, and the enlightened encouragement and help of the Federal government.

The story of the importance of the farm programs can best be documented in the context of prices and income. Let's look at the feed grain program which is so significant here in the Corn Belt.

Now, we don't have a feed grain program just for the sake of corn or sorghums or barley. It would be difficult to get public support for a program that spent one and three-quarters billion dollars a year if the only result were to deal with these feed grains by themselves.

The other reasons we have a feed grain program is to stabilize and support the livestock economy of this country. More than half of our farm income is from livestock. And over the years it has been proved that the price of corn and the supply of corn are the most important factors affecting the supply of livestock and, therefore, the price of livestock.

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From time to time within a year or two or three after a period of excess supplies of cheap corn, we have seen a buildup of livestock numbers and a tailing off of livestock prices.

It is a fact -- and let's not forget it -- that surplus corn means cheap livestock. So far, through the feed grain program and careful pricing so as to take advantage of both export and domestic demand, we have brought down the surplus of corn while raising the corn price a reasonable amount -- and by these means we have brought about relatively stable livestock prices.

Corn prices received by farmers, as a national average, were only 99.7 cents in 1960, were up to \$1.10 in 1965, and in May of this year were \$1.19 as a one-month average (cooperators, of course, got price-support payments on top of the market price). We must continue to strive for a price which will encourage exports and demand for livestock products. We must avoid another debacle of cheap corn and climbing surpluses such as we faced in the 1950's.

If farmers don't over-react to the very favorable prices of hogs last winter, and if they prevent surplus production of grain by taking part in the feed grain program, we can expect good hog prices and good cattle prices for the rest of this decade and on down the road.

There'll be ups and downs, of course. Periods of heavy marketing bring cuts in prices as everybody knows. But our corn supplies are in balance, corn prices are bullish and strong, and this makes our long-range livestock picture look better and better every day.

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Time limitations being what they are, I confined my remarks today to programs and prices and income and costs. I would have liked to talk to you about the rural renaissance being carried out through other Department programs in the small towns ... and about the great weapon for peace that food has become in today's troubled world.

But if in this pocketbook analysis of the outlook for farming, I have convinced you that there is far more reason for encouragement than discouragement and far more reason for hope than fear, then I consider my mission accomplished.

I know you have some questions, so let's have them.

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Statement of Orville L. Freeman, Secretary of Agriculture  
Before the Committee on Agriculture  
U. S. House of Representatives, Thursday, June 23, 1966

Mr. Chairman, Members of the Committee:

I am pleased to testify in support of H. R. 13361, the Child Nutrition Act of 1966. These proposals will permit us to begin a comprehensive effort to broaden child nutrition programs in this country. They are based on what we have learned in twenty years of administration of the National School Lunch Act, and they reflect a careful assessment of gaps which now exist in the nutritional needs of children in this country.

The Administration goal for child nutrition is quite simple. It is to provide every child, regardless of the family's income -- with access to a complete meal during the day when he or she is away from home.

To close the nutrition gap --

\*We want to double the number of children who now receive a free or reduced price meal through the School Lunch Program.

\*We want to provide assistance to those schools without lunch facilities where nine million children are enrolled today.

\*We want to see the success -- and the benefits -- of the School Lunch Program duplicated in the growing number of food service programs for children outside the school system, such as day-care centers, pre-school activities and summer camps -- particularly those serving children of low-income families.

\*We want to see to it that a child who arrives at school with an empty stomach does not have to wait until lunch before he or she gets anything to eat.

\*We want to extend the administrative machinery that has worked so well for the National School Lunch Program to the new activities and provide administrative funds to the States to make this possible.

No one questions the importance of good nutrition to the physical and mental health of our children, to their alertness and ability to learn. The twenty years of experience with the lunch program -- the wide acceptance and support the program commands -- demonstrates the direct relationship of good nutrition to the learning process.

This year in some 71,000 schools across the Nation more than 18 million children will consume a record 3 billion lunches. This program represents the largest single group feeding effort anywhere in the world. It supports a business with an annual volume of some \$1.5 billion. Significantly, the largest portion of this cost is provided at State and local levels, including payments from the children who receive the food. Federal support, which in dollars and donated food from surplus stocks amounts to about \$325 million a year is largely a catalyst to encourage the States to establish the program and the schools to participate in it.

Over the years, program growth has been steady and sound at an annual rate of 6 to 8 percent. We have been pleased by this growth. But we are also concerned that poor nutrition-- and malnutrition -- still curtails the learning capacity of too many children today.

Shortly after I came to the Department, I asked that a survey be made of the child nutrition efforts we were then carrying out. I wanted to know just where we stood -- was this Nation blessed with an abundant agriculture, meeting the needs of its children? Were we, for example, reaching children most in need of improved nutrition?



The results were jarring, to put it mildly. We found a gap which was steadily growing -- and would continue to grow unless additional steps would be taken to meet it.

We found there were nine million children in schools with no food service.

One million of these are children of poverty and should have a free or reduced price meal -- if it were available.

Beyond this, we found another half million needy children in schools equipped with lunch facilities who should also have free or reduced price meals -- but who could not because local resources were inadequate.

The schools without facilities are, for the most part, those in downtown urban areas or in isolated rural areas. A great many of these schools draw attendance from children of low-income families. These schools and these children need help.

Then another question naturally arises -- if the lunch program is good for children during the school year, what can be done to maintain that same sound level of nutrition when school is out? The need for good nutrition does not diminish during the summer months when the schools in the lunch program suspend operations.

Even though lunch programs may be suspended during the summer months, thousands of children can continue to share in our food abundance through summer programs in which they are enrolled -- such as playgrounds, camping activities and day-care centers.

In addition to the need for low cost lunches and non-school feeding programs, a new problem has developed in recent years which adds greatly to the nutrition gap among young people. Too many of our children arrive at school without a proper breakfast. Many children in rural areas travel long distances by bus while in urban areas a child's parents

often have to leave for work an hour or more before the child leaves for school. Neither situation is conducive to a good start for the day as far as the child is concerned.

Let me quote from a recent publication, "Education: An Answer to Poverty" issued by the Office of Education and the Office of Economic Opportunity: "Scientific studies have shown conclusively that the process of learning virtually ends when a human being becomes uncomfortably hungry. When a child appears at school in the morning having had little or no breakfast, he might just as well have stayed at home. The teacher's effort is wasted. The curriculum, the long hours of professional preparation, the value of textbooks and teaching aids are lost upon him. Similarly, a child without lunch loses most of the value of a school afternoon. A hungry child not only injures himself, but his discomfort may subtly disturb the teaching of a whole class."

This brief review of the youth nutritional gap describes some of the problems which confront us, and which should be of concern to all Americans. In recent years we have attempted to meet the nutrition gap within existing legislation -- with varying degrees of success.

During the 1961-62 school year, we recommended and the Congress provided for a Special Commodity Assistance Program for needy schools. We developed what might be called a school lunch CARE package containing the essentials for a lunch. This was shipped to participating schools. It was a less than adequate solution.

In the winter of 1962-63, through the vigorous cooperation of the Kentucky State school lunch staff and local officials, we tried another approach to getting a lunch program started in isolated one- and two-room schools in the Appalachian area of Eastern Kentucky.

In the course of several months we were able to start a lunch program in 380 schools with an enrollment of about 11,000 children. In most of these schools, space for food storage, preparation and service was virtually non-existent. Sanitation facilities were poor. But the job was done -- using two-burner hot plates, second-hand refrigerators and asking the children to bring a plate and utensils from home.

The State School Lunch Director diverted extra Federal school lunch money to these schools as well as extra donated commodities to provide a Type A lunch. This program required enormous cooperation among all those involved -- but the results in terms of improved health, attendance and attention among participating children made the effort more than worthwhile.

We have explored, too, and made a special study of the problem of getting the lunch program to downtown urban schools where there are no food service facilities and no place to put them. There are several ways of coping with this need -- such as centralized kitchen operations to service satellite school lunch programs. The few test projects which have been carried out indicate that central kitchen facilities can be very effective in these situations.

The greatest success we have achieved thus far in the effort to show that the child nutrition gap can be closed was initiated this school year with a \$2 million appropriation the Congress made for this fiscal year.

The appropriation under Section 11 of the National School Lunch Act -- which authorizes additional funds to help provide low priced lunches -- gave us a chance to show what could be done with a little money and a lot of determination.



We have developed 817 demonstration projects throughout the country -- at least one in every State, the District of Columbia and Puerto Rico -- to enable schools in low-income districts to reduce the price of lunches by as much as 10 to 15 cents -- to as low as 10 to 15 cents per meal in many areas -- and provide many free meals. Most of these demonstration schools have lunch facilities, but could not provide free or reduced price lunches to all the children unable to pay the regular price. Some 60 percent of the 330,000 children attending these schools are now participating in the lunch program -- an increase of 60 percent over participation before Section 11 special assistance was available.

Statistics alone do not tell the full story of the success of this program. You only begin to see this when you read the reports which tell of the decline in absenteeism or the drop in the time lost when a child, weakened by hunger, became dizzy or sick from stomach cramps and had to leave the classroom. There are notes of unmistakable joy in the words of teachers and school nurses when they tell of the increase in growth and weight of the children.

These are not isolated results. They run as a common thread through the reports and letters from demonstration projects in each area. In this respect, the project here in the District's Shaw Junior High School is typical.

When the demonstration program began in January, the price of the school lunch was reduced from 30 cents to 20 cents -- and the number of lunches served doubled from about 300 a day to over 600. For most children, the lunch provides almost half of their daily nutrition needs -- for some, the school lunch is often the only good meal the children get all day.



The school nurse reports that the change in students, particularly the needy students, has been remarkable. Complaints of stomach cramps have dropped, and the attention span of students has increased.

These results demonstrate clearly that the child nutrition gap can be closed, and that the States and the local schools are both willing and able to attack this problem vigorously and effectively, if they have help.

That is why I am here today to ask the Congress to provide the assistance which the local schools and the States are ready to apply to insure that children throughout this country will have the opportunity for a full meal.

This will require both appropriations and new authority, H. R. 13361 would authorize:

\*Continuation of the National School Lunch Program in precisely the same form in which it is now operating. One additional feature is included to strengthen still further our efforts to provide special assistance to low-income area schools -- in cases of severe need where the maximum rate of Federal reimbursement per lunch is too low to carry on an effective lunch program, there would be authority to finance up to 90 percent of the operating costs of the program.

\*A pilot breakfast program for schools in low-income districts for a period covering the next three fiscal years. These breakfast programs will be similar to a number of special projects which have been conducted in the current school year with generally favorable results.

\*A permanent program to assist low-income school districts to acquire food service equipment where it is not now available.

\*A permanent special milk program. Although priorities are outlined in this Title of the Bill, the language is sufficiently broad to include all the outlets and the types of outlets now participating if sufficient funds are available. We recognize that questions have been raised on these provisions. If the Committee would prefer to substitute for the Title II language that of the existing authority under which the Special Milk Program is administered, we would have no objection.

\*A pilot program to enable non-school programs involving needy children -- such as neighborhood houses, summer camps and day-care centers, both during the summer months and year-round -- to participate in a lunch program.

\*The use of Federal funds to help State agencies to defray administrative costs of this expanded effort.

\*Extension of the school feeding program to pre-school activities which are operated as part of the school system.

President Johnson, who shares our deep concern for the nutritional needs of America's youth, has authorized me to say that he intends to request a special \$50 million child nutrition supplemental appropriation. The bulk of this will be recommended for use to finance a low priced lunch program in schools serving needy areas.

The supplemental request would also cover appropriations for the breakfast program, the food service equipment program and the lunches for the non-school child activity program.

With this new authority and the funds adequate to finance them, this country can take a giant step toward closing the child nutrition gap before it grows even more serious.

I believe the school lunch program has demonstrated our willingness to invest in the future of our Nation by insuring that lack of food will be no barrier to the learning process.

Our success in this effort is convincing evidence that we should go the rest of the way -- that we should insure that the lack of income will be no barrier to the less fortunate children for whom education is the one chance they have to escape the poverty of their childhood.

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7 This trade conference is being held at a propitious time.

The Pacific Ocean has become a mirror of hope and expectation and progress.

The nations that met last week in Seoul to form the Asian and Pacific Council amply reflected these impelling human desires.

In the same spirit, a number of us will be convening with our opposite numbers from Japan in Kyoto, early in July, at the fifth meeting of the Joint United States-Japan Committee on Trade and Economic Affairs.

In the same spirit, we are meeting here today.

I shall not dwell on the physical size of the very active trade in agricultural products that the United States enjoys with Japan. Other speakers and the conference literature are reminding us, quite vividly, that this trade is large and important. The point has been made, more than once, that Japan is our No. 1 market, overall, for American farm products. It is our No. 1 market, in particular, for soybeans, wheat, cotton, and feedgrains. It is a big market for some of our other farm products--tallow, hides, fruits, rice, tobacco, cotton, and poultry. And it is a cash market.

To these facts, I would like to add one more--and that is, for this good profitable market we are thankful.

We are thankful, too, that the American economy is prospering and we are able to be a big profitable market for the many products that come from

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Address by Secretary of Agriculture Orville L. Freeman at the Washington Agricultural Conference on Trade with Japan, Statler Hilton Hotel, Washington, D. C., Thursday, June 23, 1966, 12:15 p.m.

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the workshops of Japan.

Taking everything into account -- trade in raw materials and finished products, plus services, investments, defense expenditures, and so on -- the United States and Japan are maintaining a workable balance in their trading relationships.

We are trading harmoniously and to our mutual benefit. And our trade continues to grow.

I was asked to speak on the subject of "United States Agricultural Trade With Japan - Cornerstone of a Pacific Partnership."

In my remarks today, I think you will find that I have taken this subject literally.

I am certain that in today's highly successful Japanese-American trade, along with our other cooperative relationships as well, we do have a cornerstone on which to build a Pacific partnership -- and here I mean a partnership that includes not only Japan and the United States but all other friends of the Pacific area as well.

I would like to philosophize for a moment on what lies behind this very active exchange of goods and materials and services between Japan and the United States. I think two facts emerge, and from them we can draw a third.

First, in our trade we are demonstrating that growing nations must rely on one another and work together. No country is entirely self-supporting.

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Each has something that can advantageously be used by another.

Second, we are demonstrating our mutual success in developing systems of enterprise which create jobs and earn wages and enable our people to reach out -- through trade -- and buy in large quantities those good things of life which make up our respective standards of living.

The third fact is that Japan and the United States -- because we have learned that growth comes best when we grow together -- are in a unique position to apply experience, knowledge, skill, and resources in helping other countries to attain these same ends.

I am not proposing here a formalized partnership in a legal sense, with joint programs, joint financing, joint use of manpower, and so on. That is not necessary. What I am proposing is an informal partnership, a partnership in spirit, a recognition between friends of our similar abilities and goals, and an active pursuit of these similar goals -- sometimes independently, sometimes together, sometimes through existing international organizations.

However we approach the task, from it we can hope a broad Pacific partnership will emerge. We can hope it will emerge in the form of improved agriculture, improved industry, improved trade, improved standards of living and improved peace and freedom, in all the countries that are bathed by the Pacific Ocean.

There is a very real urgency about each of us moving ahead toward these goals. This is not a leisurely partnership of which I speak. We

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still have opportunity to do the things that must be done, but time is running out. We must move ahead, now.

The people of the Pacific cannot be said to be tranquil. They are not satisfied with life as they know it today.

Their birth rates are high and their death rates have been reduced. Their total numbers grow, year by year.

But their food supplies, in most areas, are not keeping up with increases in population.

And their industrial growth is not coming about fast enough to provide the jobs and wages that they need if they are to buy adequate food, clothing, and shelter.

The people of the Pacific area know these things. They know they have excellent resources but these, generally, are undeveloped. They know that people in many other countries -- including Japan and the United States -- have discovered a formula that provides a better life than they have. They want this formula. And I think we will do well to give it to them before they accept, from others, the wrong formula.

We need to move ahead quickly with efforts to help other Pacific countries because development is a slow process and time lost now will show up as goals unattained, later.

It has, for example, taken us 30 years to get where we are today in

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the use of fertilizer on the farm lands of the United States. The importance of fertilizer has long been known to American farmers but the take-off point did not come until 1935. Since then we have had a steady rise in fertilizer use and on American farms today fertilizer plays an equal role with tractors, petroleum, improved plant material, and skilled technology.

The same is true, of course, in Japan. In the Far East, Japan is the outstanding leader in the use of fertilizer on farm lands. This shows up in the remarkable yields that Japanese farmers have been able to achieve. In cereal grains, for example, Japan's yields are well above those of Thailand and Indonesia and 3 to 4 times as high as those of Pakistan and India.

I mention fertilizer because it has been called the key to human survival. The world's expanding population will survive only as it gets more food production from each unit of land area. If it does not succeed, eventually people will starve. This is not said in an effort to be dramatic -- it is a mathematical fact.

Against the mathematics of population increase is the countering mathematical fact that a pound of plant nutrients can produce 10 pounds of food grains. In this fact lies mankind's nutritional salvation.

We must be aware, however, that any agriculture that uses large amounts of fertilizer is necessarily a complex agriculture. Farmers must have the money and the incentive to use fertilizer or it will not be used. The well-known elements of land ownership, credit, improved plant materials, technology, know-how, market prices, and marketing facilities are all involved.

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These are areas in which Japanese and American experiences and abilities are world-renowned. While never exactly applicable to other countries, they can help show the way.

When we look at the problems of the less developed countries, sometimes they loom so large as to seem almost insurmountable. I think we have all asked: Can these countries really get going? Can they really make it?

Any dark clouds in my own thinking were pretty well dispelled by a study made last year by the Department of Agriculture which measured the progress in agriculture in 26 selected countries. These included countries in Latin America, Africa, Europe, Near East, Far East, and South Asia. The period covered was 1948 through 1963.

We found from this study that agriculture in many developing countries is not a stagnant pool as some believe but is alive and changing, often showing a dynamic upward trend.

In 12 of the 26 countries -- and the Philippines and Thailand were among these 12 -- we found the crop output has been increasing more than 4 percent a year in this postwar period. What these are doing, others can do, too.

Why must we help the Pacific area to achieve greater agricultural progress?

I have mentioned the grim mathematical possibilities of population out-running food supply. Morally, we cannot let people starve, when it is in our ability to help prevent starvation. But this humanitarian approach may not alone be sufficiently impelling to spark the needed action.

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Paradoxical as it may seem, economic development -- including agricultural development -- in the less developed nations offers us the best opportunity for building markets and expanding export sales from our farms and factories. This, together with our humanitarian desires, does provide an impelling approach.

We know that economic development is the basis for expanded commercial trade. We have seen proof of this many times in recent years as we have observed how dollar sales of American farm products have climbed in countries where economic growth is taking place most rapidly.

For example, dollar exports of American farm products in the five fiscal years 1961-65, as compared with the five fiscal years 1955-59, increased by 16 times to Greece; 13 times to Taiwan; 10 times to Spain. They almost doubled to Israel, and increased by one and one-half times to Hong Kong.

We have observed further that for every 10 percent increase in incomes in developing countries, we can expect their imports of our agricultural products on commercial terms to increase by 16 percent.

And since economic development in these nations depends so much on increased agricultural progress, it is only by hastening that process that we can hope to begin to tap the great potential market that lies dormant in the underdeveloped world.

As world traders, all of us are very much aware of the variations in income growth that exist today. The growth rate in per capita income varies from 1.6 percent a year in North Africa to 3.2 percent in Northern Europe to 6.4 percent in Japan.

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Japan's per capita income today is approximately 5 times larger than that of some of her neighbors. And if Japan reaches its expectation of a per capita income level of \$2,000 a year 20 years from now, this will exceed by many times the current income levels of every one of her neighbors.

As realists, we recognize that the only practical way for this world to get away from chronic hunger and want is through better development of its human and material resources, on a country by country basis. The actual work of development must be done by each country, itself. But inspiration and a helping hand can come from outside. Both Japan and the United States are uniquely equipped to supply both. And each will benefit by so doing.

I know that Japan is actively engaged in technical and economic assistance programs in a number of areas today. Some of this is on a bilateral basis; some is through international organizations.

I know that this work is excellent, effective, and appreciated. When I go to Japan the end of this month, one of my objectives will be to compare notes with my friends there to learn more fully the extent of this involvement and the experience and progress being gained.

For our own part, we have great expectations from the Food for Freedom proposals that currently are being considered by the United States Congress. We believe this program will help materially in hastening the day when many countries, including countries in the Pacific area, can stand more firmly on their own feet, can do a better job of feeding their own people, and can participate more effectively in world trade and world affairs.

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The new Food for Freedom program contemplates closer coordination of American food aid with other assistance programs directed toward food and agriculture in recipient countries. President Johnson, in his message on Food for Freedom, emphasized the need for a unified effort. He said: "To strengthen these programs our food aid and economic assistance must be closely linked. Together they must relate to efforts in developing countries to improve their own agriculture. The Departments of State and Agriculture and the Agency for International Development will work together even more closely than they have in the past in the planning and implementation of coordinated programs."

Of particular importance in the new Food for Freedom legislation is its emphasis on self-help. The Bill, as now drafted, says that it shall be the policy of the United States "to expand international trade; to develop and expand export markets for United States agriculture commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production...."

This link between self-help and food aid is essential to economic growth of the developing countries. Instead of becoming increasingly dependent on the aid we may supply, they will be strongly encouraged to develop self-reliance. They will be encouraged to build their agriculture and to build their markets.

In many of these countries, half to two-thirds of the people are rural and heavily dependent on agriculture. Only as that agriculture begins to progress, and as rural people begin both to sell more and to buy more, will these countries really begin to move their economies forward.

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The keynote of our Food for Freedom program is its goal of helping the developing countries to make such distinct progress, within these next few years, that they can progress from a status of aid to a new independent status of trade.

But this goal, though desirable and necessary, will not be easy to achieve. It will require many helping hands. It will require many partners. And among these partners, we are confident, will be our good friend across the Pacific, Japan.

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For Release at 12:15 p.m. Thursday, June 23



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3  
7 I don't suppose anyone talks to the farmer as early and as often as the farm broadcaster -- except maybe the farmer's wife.

The fact that you are as near as an electric switch -- and as immediate as today's market -- gives you a special responsibility to the farmer and his family. I know that you feel very keenly this obligation, not only to keep abreast of things the farmer needs to know but also to be a spokesman for the farmer in a time when his own voice grows smaller as his numbers dwindle.

Your national meetings are evidence of this concern. I am grateful for this chance to visit with you and to have a part in your crowded Washington schedule.

The job of keeping on top of a subject as big and as dynamic as American agriculture is not easy.

I wonder if you don't sometimes feel that you are caught in a flow of change and events so dramatic and so rapid that no one can fully grasp all of it. You may feel that no one man can be fully aware of the changes that have taken place -- much less predict where we are going.

If you do feel that way -- well, welcome to Washington!

But seriously, some truths never change. The awesome significance of food production never changes. Though we now have only a little more than half the farmers we had 15 years ago, the importance of farming, American farming, is greater than ever before in history.

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Address by Secretary of Agriculture Orville L. Freeman at the annual Spring meeting of the National Association of Farm Broadcasters at the Shoreham Hotel, Washington, D. C., Wednesday, June 29, 1966, noon (EDT).

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More than 60 years ago, William Jennings Bryan directed these remarks to the city dwellers of America:

"The great cities rest upon our broad and fertile prairies. Burn down your cities and leave our farms, and your cities will spring up again as if by magic, but destroy our farms and the grass will grow in the streets of every city in the country."

That is as true now as it was in 1896.

So today, I would like to direct my remarks, hopefully through you, to the city dwellers who hear your broadcasts ... to try, as William Jennings Bryan tried, to impress upon them the importance of agriculture, to tell them what the farmer has given them -- and the world, and to convince them, if I can, that the farmer is not getting a fair return for what he gives.

I cannot tell you what to broadcast, of course. I can only ask you to consider what I have to say ... and then to judge whether you want your listeners to hear it.

I said the importance of American agriculture is greater than ever before in history.

It is. It is, because American agriculture has taken on a far greater dimension in this era of exploding world population ... and the concurrent threat of world-wide famine.

For the past decade or more, the American farmer has provided the life-saving margin for literally millions of hungry people throughout the free world. And he will continue to do so until those people have learned to produce enough

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to feed themselves.

At the same time, the American farmer is feeding 195 million of us here at home with the most nutritious, varied, and abundant diet in the world.

And he is doing this, my friends, at a lower cost to us, in terms of our disposable incomes, than at any time in history ... in any Nation in the world!

Yet with this great record to stand on, with this new dimension of global significance, our farmers today find themselves once again unjustly abused by some of our own countrymen.

Just when they are about to escape the thoughtless "surplus and subsidy" onus which dogged them through so many years, the farmer of today finds himself charged with being a prime inflationary factor.

Yet nothing could be farther from the truth. The cold hard fact that farm prices are a dozen percent less than 15 years ago in 1952 ought to knock down the inflation label once and for all.

But knocking down the inflation label isn't enough. Let us go farther!

Today I want to explore with you the real story of what the farmer gives -- and what the farmer gets.

It is a story I hope will soon reach every city dweller in America. It is important that it does, for if it does not, if the city dweller does not understand the real story, then the end of cheap abundance for the American consumer may be on us before we know it.

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First, let's look at the key question:

Are farm prices, what the farmer gets for his products, a major factor in the rise in cost of living? Are they, indeed, an inflationary factor?

Or is the opposite true?

First, let's look backward into history to determine if this ever was true.

In 41 out of the 50 years between 1915 and 1965, the food-cost index has been less than the cost of living index. In the last 10 years, the food cost index has exceeded the cost of living index only twice!

Are the farm price inflation charges true today?

No more so than they ever were.

Since February of 1961, the month our unbroken national prosperity got underway, the market price of the 11 key foods which most affect the Government's Consumer Price Index have gone up 8.9 percent.

I have said that this increase was more reassuring than it was alarming. And I'll tell you why.

By omitting two items, lettuce and pork, from that list of 11 key foods, the increase over that period of time amounts to only 2.5 percent!

The big jump in lettuce prices, an 89 percent increase, can be attributed almost entirely to short supply brought about by adverse growing conditions.

As for pork, well, the hike in pork prices was almost inevitable.

From 1959 to 1965, the annual price averaged hovered around the \$15 a

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hundredweight break-even point for the average hog producer.

With prices like this, pork production was bound to drop. And it did. From 1964 to 1965 pork production fell off 2.4 billion pounds, a 12 percent decline, and in the first four months of this year it was down 13 percent from the same period the year before.

What happened? Wholesale prices, as predicted, soared to nearly \$30 a hundredweight and retail pork prices jumped from 56.4 cents in 1964 -- to 64.2 cents in 1965 -- and to a 78.1 cent average in the first quarter of 1966.

High prices bring increased production, and pork prices have tapered off and stabilized since the first quarter of this year.

Moreover, the increased supply seems destined to continue this year, for the spring pig crop was about 10 percent above a year ago, and farmers are planning to increase the 1966 fall pig farrowings by another 10 percent.

This will assure consumers a plentiful supply of pork for the balance of the year.

I might digress for a moment at this point to call hog producers' attention to some less recent history. In 1954 and in 1958 hog prices were higher than they were in 1965.

When hog producers increased production in response to this market, prices dropped to the point where the consumer was able to buy pork for only 56.9 to 59.3 cents a pound from 1959 through 1964.

If hog producers want to avoid glutted markets and unprofitable prices in 1967, they must be careful not to over-respond to the high hog prices

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of earlier this year and produce so heavily that prices drop back to \$15 a hundredweight or lower. Hopefully, hog producers are sophisticated enough to avoid the overproduction mistakes of earlier days.

But let's get back to the subject. Are farm prices inflationary?

Since 1960, farm prices have gone up 4 percent.

But they are still 25 percent below what they were in the peak year of 1951.

And food prices today are 12.3 percent higher than they were in 1951.

This is the first, and over-riding, rebuttal to the charge that farm prices are causing an inflationary pressure.

The second rebuttal is this: The farmer gets only 39 cents of every dollar spent for food in this country. The rest goes to others who handle the food on the trip from farmer to consumer.

Food prices are up. No one denies that. But if farm prices are down -- and the farmer gets so little of the food dollar -- then why are food prices higher?

In large measure, my friends, retail food prices are up because the consumer has been making new demands. And what she demands simply costs more money. And the consumer has been willing to pay that increased cost. She may complain ... but she still buys convenience foods, like frozen TV dinners.

In other, and direct, words, the most telling influence in food as a factor in the higher cost of living index may well be the consumer herself!

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The consumer is demanding greater convenience, wider variety and higher quality foods. She also is demanding auxiliary services which go into retail food prices: faster transportation, processing, packaging, displaying, advertising, selling, supermarket parking lots, check-cashing, and baby-sitting services.

Where meals once took hours to prepare, they now can be purchased frozen and ready to pop in and out of an oven in minutes. Last year one food chain sold no less than 4.4 million TV dinners.

The housewife is buying 70 pounds per person less fresh fruits and vegetables than she did 20 years ago -- and substituting 20 pounds per person more canned and frozen products.

The steadily increasing consumer demand for more variety in foods also costs the consumer more. There are now more than 7,000 choices of foods in the shelves of an average supermarket. Twenty years ago there were only 3,500. It is not unusual to find as many as 85 different kinds and cuts of meat and poultry in the typical supermarket ... and 70 varieties of canned vegetables.

Moreover, consumers demand to eat better. They eat 20 more pounds of meat per capita now than they did in 1947 ... and they eat more steaks and less hamburgers all the time.

Along with more steak and less cereal products, the consumer demands that processed vegetables be frozen in butter or swimming in mushroom sauce -- instead of frozen or canned in water.

All of this, it should be obvious to everyone, is bound to cost more.

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In the past 20 years, processing and marketing costs of retail foods have risen \$26 billion. Demanded added services, it is estimated, account for \$6 billion of that total.

In short, the spread between farm and retail prices has increased largely because of additional services offered -- and now demanded.

The Federal Reserve Bank in Dallas has been studying the price spread and not long ago issued this statement:

"The conveniently packaged, highly standardized, and almost completely prepared commodity on display is the end product of a fast-changing food industry that sells much more than food with each unit."

I offer you just one example. I asked the economists in our Department to determine for me just how much the farmer gets for the products in one frozen TV turkey dinner, a package that sells over the counter for an average of about 49 cents.

The farmer gets only 8 cents! And of that total, 6 cents is for the turkey alone!

In 1965 Americans spent an estimated \$73 billion for American farm-produced food. Of that total, the farmer got only \$24.5 billion, or 33.5 percent. The remaining 66.5 percent, or \$48.5 billion, went to the marketing sector.

Twenty years ago we spent \$40.8 billion on food, and the farmer's share came to 45 percent, or \$18.3 billion, while the marketing sector got \$22.5 billion.

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So, while the total food bill was going up \$32.2 billion since 1947, the farmer's share of that increase has been only \$6.2 billion -- and that came almost exclusively from increased volume alone.

Had the farmer got the same share of the food dollar in 1965 that he got in 1947, the American consumer public would have spent another \$15 billion for food last year!

Broken down, this would amount to more than \$300 for a typical family of four.

Now I ask you, and I ask the city dwellers of America through you ... has the farmer hurt you or helped you in your pocketbook?

As a matter of fact, my friends, the farmers of America have subsidized this Nation's food bill to the tune of \$35 to \$40 billion since the parity goal was set up by law in the early 1930's!

One more point:

Retail food prices are at record levels. But the real cost of food, including all the new built-in services, is less today than it was five-and-a-half years ago.

By the real cost, I mean how much food a given unit of work will buy, for that is the only true measure of the cost of a commodity or a service.

While market prices for key foods were going up 8.9 percent since February of 1961, the after-tax weekly earnings of a family of four, headed by a worker in manufacturing, were climbing 19 percent, and the after-tax weekly earnings of a single worker in industry were soaring 20.6 percent.

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From 1960 through 1965, the average increase in food prices has been much smaller than the increase in the after-tax incomes of the vast majority of American workers.

To make this point even sharper, let me point out that in the first four months of 1966, when food prices went up at the swiftest rate in recent years, disposable income was climbing at an even faster rate!

In those four months food prices went up 6.3 percent from the same period in 1965, while disposable income was jumping 8 percent.

Even with the recent food price increases, the American people spend less of their take-home pay for food than ever before.

In 1947, we spent 26 percent of our take-home pay for food. In 1960 we spent 21 percent. Today, we spend only 18.3 percent!

Now, if the American farmer has provided us with the best diet at the lowest cost in the world, and if, as we have seen, he has actually subsidized the cost of living in this country, and if, as is now apparent to the entire world, he is providing the greatest weapon for peace at our disposal ... then what have we consumers been doing for him?

Not enough, my friends. Not nearly enough.

As I remarked earlier, farm prices are up 4 percent since 1960. But during that same period of time, the farmers' unit costs increased 8 percent.

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It is almost a miracle, then, that farm income has sharply increased since 1960.

Only by virtue of his ever-increasing efficiency ... only by producing greater volume ... only by virtue of hard-won new export markets ... only by virtue of farmer participation in the flexible and adaptive new farm programs which once more allow him to produce for the marketplace ... and only by virtue of Federal farm payments, has the farmer been able to increase his net income significantly since 1960.

It has been a desperate struggle, but the falling farm income trend of the 1950's has been reversed so far in this decade of the '60's.

Realized net farm income in 1965 totaled \$14.1 billion -- \$2.4 billion, or 20.5 percent, more than in 1960. Farm income this year will climb at least \$1 billion more -- to the highest level in history except for the postwar years of 1947 and 1948.

Net realized income per farm, which averaged \$2,956 in 1960, rose to nearly \$4,200 last year, and is expected to reach \$4,600 in 1966 -- an increase of about 55 percent in 6 years.

Income from all sources per person on farms rose from \$1,108 in 1960 to \$1,510 in 1965. The estimate for 1966 is about \$1,600, roughly 44 percent higher than in 1960.

Cash receipts from the sale of major livestock products and all crops -- and including government payments -- rose from \$34.7 billion in 1960 to \$41.6 billion in 1965 ... and this year will climb to an estimated \$44.2 billion.

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We in this Administration are proud of that record, accomplished despite the fact that farm prices have lagged...but we are not yet satisfied.

The income gap between farmer and non-farmer has been narrowed 18 percent since 1960! But the farmer still earns only 65 percent of what the non-farmer earns.

We will not be satisfied until the adequate size family farming operation has realized full parity of income with the non-farm segment of our economy.

We still have a way to go before that goal is reached. We are pressed for time.

Many farmers have grown impatient. Farming is a business. They have a right to expect it to pay them a decent living. If they cannot get the prices they need to provide the income they must have to meet the costs they must pay -- they may leave the land for better paying jobs.

We see it happening already in dairy farming. The number of dairy farmers who have left the land has nearly doubled in the past four years. The result? Milk production thus far this year is 5 percent below what it was a year ago.

It doesn't take an economist to tell you that when supplies go down -- prices go up. And it doesn't take a seer to tell you what will happen to the luxury of an abundant and inexpensive food

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supply if we have a mass exodus from the land by farmers who have wearied of waiting for their fair share of our national prosperity.

To let that happen would be a catastrophe for the Nation.

For the sake of our own pocketbooks, we can't afford to let it happen.

But more important than that, for the sake of a world which looks to America for food ... and for freedom ... we can't afford to let it happen.

This is the message I hope you will relay to your listeners. This is the story I hope you will tell.

And now let me conclude this message with some brief reference to the over-all progress made by our Nation these past five years.

Free people everywhere look increasingly to America for strength and leadership. Continued prosperity and economic strength for all elements of our society are important, then, not only to this continent ... but to the whole world.

Measures to strengthen America, translated into legislation, make up some of the building blocks for what President Johnson has called the Great Society. In the past year and a half, we have seen the enactment of a wide range of such measures affecting every walk of American life.

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

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For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For city dwellers -- the Housing and Urban Development Act, The Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

For rural dwellers -- the Food and Agriculture Act of 1965.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- The historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- The Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

While these far-reaching measures are aimed at specific needs and inequities, they are not by any means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

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The President's domestic programs are in no way competitive with our military commitment in Southeast Asia. Quite the contrary. The Great Society -- with its programs of human and economic development -- will strengthen our Nation as it moves ahead in the job it has to do.

The threat to freedom will not end with Viet Nam. The job of Free World leadership that has fallen to the United States will not lead to a resting place in the shade -- at least not for many, many years. The Great Society calls for continued growth and advancement -- so that we will have the strength for the struggles ahead and the qualities of virtue to merit Providential support in those struggles.

As I believe the President of your association, George Stephens, will confirm, the problems of that part of the world are complicated and difficult, but not impossible. Since George and I were in Viet Nam last February, we have proceeded to carry forward the planning and recruiting needed to meet the needs which that Presidential Mission uncovered and enumerated.

The immediate farm problem in Viet Nam is to make the land secure for the farmer, move ahead with land reform, and improve marketing and distribution. When that has been accomplished, Vietnamese agriculture will be ready for the takeoff in yields that it needs as a basis for economic development.

The American farmer has shown the way. He has created the pattern for a final worldwide attack on hunger and the associated problems of disease, division, and discontent.

But it will take a large effort -- and it will take a larger national recognition of the central role that American agriculture has in our own prosperity and economic success.

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The old cliches must go. The old cries of "subsidy" and "surplus" and the new cry of inflations have little pertinence in a world where the need for peace and plenty has become an urgent concern for us all. If, in this marvelous time of transition and change, we can put to rest those tired old bromides -- then we will have accomplished much.

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THE UNFOLDING WORLD FOOD CRISIS

There is today a deep and growing concern throughout the world over the outcome of the food-population race. This is particularly evident here in the United States.

Several factors contribute to this deepening concern. The encouraging advances in per capita food production recorded in the developing countries during the 1950's have been reversed in many cases during the present decade. The depletion of worldwide food reserves, particularly wheat and rice, has also contributed to the rising level of concern.

The realization that serious malnutrition in the early years of life can permanently reduce the life-long potential for mental development sharpens our awareness of the long term implications of the current short supplies of food. The incongruousness of the space era on the one hand and growing world hunger on the other is causing us to question our values and reorder our priorities.

Projections of Food Needs

Over the past several years many efforts have been made by both individual countries and international agencies to project world food production and demand. Virtually all studies, regardless of when or where they were done, have had certain things in common. They have underestimated increases in the demand for food, largely because of underestimates of population growth, and they have overestimated increases in food production in the developing countries. The net result has been that food import deficits in less developed countries are widening much more rapidly than anticipated.

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Remarks by Secretary of Agriculture, Orville L. Freeman at the Fifth Annual High-Level Meeting of the OECD (Organization for Economic Cooperation and Development) Development Assistance Committee, Washington, D.C., Thursday July 21, 1966.

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For some time now the food-population problem has been discussed as though it were a problem of the future. It is not a problem of the future. It is here now. Some of the recent trends and developments that lead me as Secretary of Agriculture to this conclusion are outlined below.

#### The Two Reserves

Until quite recently we had in the United States two of the world's major reserves in the race between food and people. These are the vast quantities of surplus grain we had in storage and the large area of cropland idled under our farm programs. In 1961 we had a carryover of 115 million metric tons of grain. Today we have only 61 million tons. The excess carryover has disappeared.

As recently as last year we had 56 million acres of cropland idled under our farm programs and diverted to conservation uses. Actions already taken to increase acreage will bring a sizable part of this idled cropland back into production by the end of this year. Further actions to expand acreage are now being considered. Thus within the past 5 years one of these two strategic reserves has disappeared and the other is now being rapidly reduced.

These trends in both our grain reserves and our acreage reserve reflect the basic fact that food consumption is rapidly outstripping production in the rest of the world. Once both of these two ready reserves are exhausted the world will find it much more difficult to cope with any continuing excess of demand over production.

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### The World Wheat Situation

Wheat, along with rice, accounts for a dominant share of the world's total supply of food staples. Five years ago wheat carryover in the major exporting countries totaled 59 million tons. As of 1966 it is scarcely 30 million tons -- well below the desirable level. It is projected to decline even further by this time next year.

World wheat imports have more than doubled during the past decade. If the rate of increase over the next decade should even remotely approach that of the decade just ended, world import demand for wheat will far exceed the supply capabilities of the exporting countries.

Several factors account for this rapid growth in wheat imports. India's wheat import needs doubled during the Third Five Year Plan period ending just a few months ago. Five years ago the Soviet Union was a wheat exporter. Today it rivals India as a leading wheat importer. Mainland China is today a consistent heavy importer of wheat. These three countries, containing some 40 percent of the world's people, are now heavily dependent on imported foodgrains. Of the four most populous countries, only the United States continues as an exporter.

### The World Rice Situation

Rice carryover in the major exporting countries totaled 1.8 million tons in 1955. Today, a decade later, it is less than 300,000 tons. There is at present an unsatisfied import demand for rice totaling several million tons. The sharp and growing disparity between world

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prices of wheat and rice -- most of the rice moving in international trade channels is priced at least half again as high as wheat -- reflects this.

The sharp turnabout in the world rice situation traces to several developments. On the supply side, Burma's exports have actually declined in the past few years. South Vietnam, until recently a rice exporter, is now a deficit country. Neither of these two key developments on the supply side will necessarily be reversed in the near future.

On the demand side, Japan has moved rapidly away from its position of near self sufficiency in the early 1960's. This year it will import nearly a million tons of rice. The Philippines, a country which was until recently virtually self sufficient in rice, is now importing large quantities also. Indonesia is facing a rather serious food crisis because of inadequate rice supplies.

India's growing rice import needs are well known. Pakistan's rice situation is now far from satisfactory.

In summary, the world's rice consuming populations, accounting for some one-half of the people in the world, are continuing to multiply at an unabated rate. The area of land which can produce rice is rather rigidly defined and cannot be easily or rapidly expanded. The current rice supply-demand imbalance is likely to continue for the foreseeable future.

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### Three Relevant Benchmarks

There are 3 basic benchmarks to which the rate of increase in food production can be usefully related. These are (1) the rate of increase needed to keep pace with population growth, (2) the rate of increase needed to attain target rates of economic growth while maintaining stable prices, and (3) the rate needed to eliminate the serious malnutrition common to most of the developing countries. By all three criteria, the rate of increase has been decidedly inadequate. As matters now stand we are "losing the war on hunger".

Thirty years ago the less developed regions of Asia, Africa and Latin America were exporting 11 million tons of grain yearly to the developed countries, principally Western Europe. During the war decade of the 1940's, that flow was reversed. This year more than 20 million tons will move from the "have" to the "have not" countries of the world.

The net grain trade position of the less developed world has changed by 41 million tons. Even so, effective internal demand for food in the developing countries far exceeds the available supply even with the current massive imports. Several major developing countries including India, Brazil, Indonesia, the UAR and Pakistan, are experiencing sharp rises in food prices. These sharply rising prices are forcing reduction in development expenditures, thereby reducing rates of economic growth.

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The Population Side of the Equation

Over the next 15 years the world must prepare to feed an additional 1 billion people. Never before in history have so many been added in such a short period of time. Even more significantly, fully four fifths of the 1 billion will be added in the food-short, developing countries.

This growing imbalance between food and people threatens the economic and political stability of the developing countries. A world in which one third of us worry about our waistlines while the remaining two thirds worry about where the next meal is coming from is not a stable world.

The advanced nations can provide several forms of assistance to reduce the food-population imbalances. Of these several forms, assistance with family planning programs is by far the most efficient. Five dollars invested in family planning can achieve as much progress as \$100 invested in other areas of economic development.

The Food for Freedom program now before the Congress recognizes the need for much greater efforts to slow down the population juggernaut. At the initiative of the Congress and with the unanimous support of the House of Representatives, the solution of population problems is referred to four times in the current bill. It is listed as one of the specific self help activities that the President shall take into account in determining our food aid programs. We are assisting countries with family planning programs wherever such assistance is requested.

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### The Food-Fertilizer Gap

The great majority of the developing countries are deficit in both food and fertilizer. These two commodities are for all practical purposes the same commodity. Traditionally, we have talked of the food gap in the less developed world. I would like to emphasize that this is also a fertilizer gap. A 20 million ton food gap is a 2 million ton fertilizer gap! One pound of plant nutrients, used in association with water, pesticides and fertilizer-responsive varieties, yields on the average 10 pounds of additional foodgrains.

The difference between fertilizer and food is a one year time lag. This year's fertilizer is next year's food. The cost of filling the food-fertilizer gap is reduced by two-thirds if it is filled with fertilizer rather than with food. Recognizing the interchangeability of food and fertilizer makes it possible for virtually every advanced country to contribute in a major way to the filling of the food-fertilizer gap.

### The Critical Cost-Price Relationship

Food price policies in developing countries are frequently urban-oriented. Governments are interested in price control rather than price support. Although politically expedient in the short run this policy will prove disastrous in the longer run.

In those developing countries which are now essentially fixed-land economies the farmers' cost-price relationship assumes a new dimension of importance. Under these circumstances, a productive yield-raising agriculture requires food price policies oriented

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toward the producer. Food prices must be supported at a level that will make the use of purchased inputs profitable. If it is not profitable to use yield-raising inputs such as fertilizer, then rapid gains in food production are almost impossible to achieve.

We must assist the developing countries in the formulation and adoption of the appropriate food price policies. If we are not successful in this, then our other efforts to further agricultural development will be largely in vain. Basic economics requires that the use of modern technology be profitable if it is to be adopted.

#### The Need for Agricultural Inputs

Earlier this week I returned from an agricultural inspection and review tour of several developing countries in Asia. The thing which impressed me above all others was the clamor by farmers for production inputs, such as fertilizer, irrigation pumps and better seed. These farmers did not ask for advice. They wanted inputs.

In response to the growing need for agricultural inputs, we are making available sharply increased quantities of these items under our aid program. During the fiscal year just ended we financed nearly 100 million dollars worth of fertilizer. This has been increased to 300 million dollars for the current year. Supplies of aid-financed imports of seed, pesticides and implements have been increased proportionately.

At present we must supply from our own production many of the inputs farmers in all recipient countries so desperately need. But this is a temporary, not a long term solution.

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Over the longer term, the aid recipient countries must develop their own agricultural supplier industries. To fail to do so will simply result in a shifting of dependence on aid in the form of food to aid in the form of agricultural inputs, creating an impossible burden for the advanced countries. We must assist the developing countries in creating the investment climate needed to attract capital and the accompanying managerial, technical and marketing knowhow.

Agricultural industry attracted from abroad will bring with it the applied agricultural research and extension programs now characterizing virtually every major corporation supplying agricultural inputs in the OECD countries.

#### Food for Freedom

There is now before the Congress a new bill to replace Public Law 480, the enabling legislation for our Food for Peace Program, which is due to expire in December of this year. The design of the new Food for Freedom program reflects our 12 years of experience with Food for Peace. There are two distinct new features in the proposed legislation. They are (1) the need for demonstration of self-help efforts by receiving countries in order to be eligible for food aid and (2) the elimination of the surplus requirements for food aid commodities.

#### No "Surplus" Requirement

A major new feature is that our food aid programs will no longer be limited to or based on "surpluses." They will rather be made up of commodities determined to be available for such purpose "after taking into

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account productive capacity, domestic requirements, farm and consumer price levels, commercial exports and adequate carryover."

This new feature of the Food for Freedom program imposes upon us far greater responsibility than was involved in merely making the most constructive use we could of surpluses that already existed. The huge surpluses of five years ago are gone.

We accept the responsibility of producing food that will be needed by food deficit nations even though we know they cannot buy it on commercial terms. And we must accept the responsibility of estimating in advance how great those needs will be and what proportion of those needs will fall upon us to fill. We must further plan our food aid programs in terms of our over-all assistance programs, in order that together they may contribute as effectively as possible to overall economic development and to increasing agricultural production in the recipient countries.

This new feature also offers new opportunities for meeting urgent needs in the hungry nations. The commodity mix of food aid programs can be more effectively geared to special nutritional needs than was the case when only surpluses were available. The new bill also provides for enrichment and fortification of foods in our donation programs, making it much easier for us to combat malnutrition, especially of infants and children.

The elimination of the surplus feature means that food aid will become much more like dollar aid. It means that we are ready to commit as much as may be needed of the productive capacity of our 56 million acres

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now diverted to conservation uses to meet world food needs. We will, as President Johnson said, "bring these acres back into production as needed -- but not to produce unwanted surplus, and not to supplant the efforts of other countries to develop their own agricultural economies."

#### "Self-help" Emphasis

Another very significant new feature of our Food for Freedom program is its emphasis on "self-help" as an integral part of our food aid program. We expect to direct capital and technical assistance as well as food aid toward encouraging greater emphasis on agricultural development wherever that is economically feasible.

The Food for Freedom bill now before the Congress repeatedly emphasizes the self-help principle. In the statement of policy we find: "with particular emphasis on assistance to those countries that are determined to improve their own agricultural production". The President, in the bill, is directed to "take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, especially in providing enough to meet the needs of their people". The draft now before the Senate Committee provides that the annual report to the Congress "shall describe the progress of each country ... in carrying out its program to improve its production, storage, and distribution of agricultural commodities." It is clear that this self-help feature is wholeheartedly supported by the Congress.

The link between self-help and food aid is important to us for many reasons. Recent trends indicate clearly that the time will soon come when the developed countries will no longer be able to fill

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the rapidly widening food gap of the less developed world. Unless the less developed countries sharply increase their agricultural productivity, and soon, mass famine will take place. Thus more human lives hang in the balance in the race between food and people than have been lost in all the wars of history. It is only by this link of food aid with self help that American agriculture can make its major contribution to preventing famine and banishing hunger from the face of the earth.

### Conclusions

I need not emphasize the importance of assistance programs in general to the members of the DAC. But I do want to emphasize the urgent importance of allocating a greater proportion of assistance to the agricultural sector in developing countries, and of urging them to include accelerated agricultural development in their country plans.

Clearly the war on hunger can be won.

Although the current food-population balance is critically unsatisfactory, yet there is much from which we can take encouragement and stimulation for accelerated effort. These are:

- (1) New recognition of the importance of agriculture by the developing countries. Today agriculture is given No. 1 priority by nations that have neglected it for centuries.
- (2) Increased investment of domestic resources and foreign exchange in agriculture.
- (3) An awareness of new production techniques as evidenced by a strong demand which is currently outrunning the supply of fertilizer, seed, and pesticides.



It is within the resources of the nations that make up DAC to meet this demand and sustain it as it grows. Hopefully those resources will be effectively and efficiently coordinated and made available as and where needed.

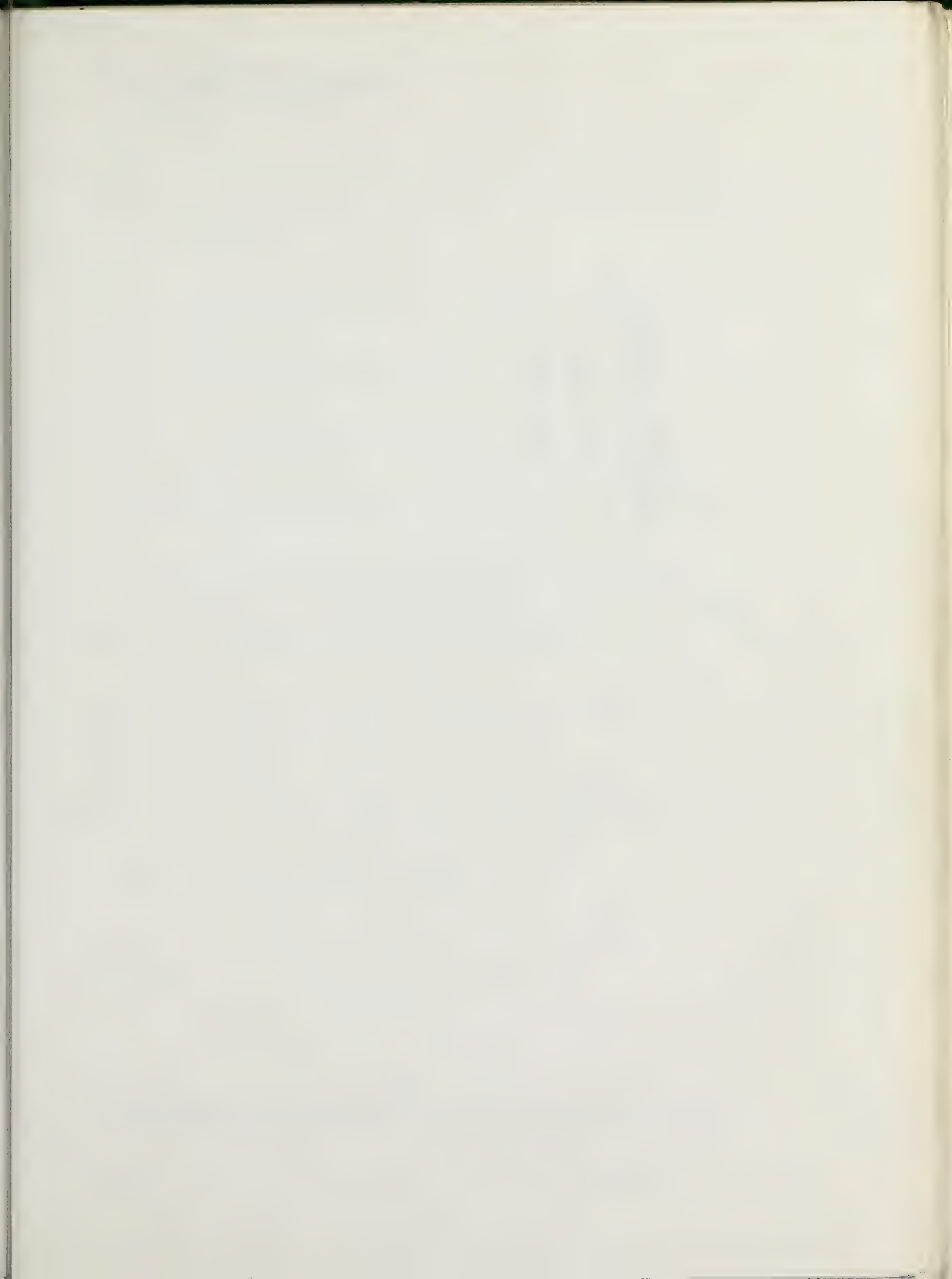
It is physically, scientifically and technologically possible to banish hunger. Such a victory will not be easy. It will call for a higher level of social, political and economic engineering than mankind has yet achieved.

Here, in the DAC, we can set the stage for that victory.

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I have just returned from Japan, and I'm struck by the thought that many Americans consider that country one of the most densely populated on earth.

Japan is crowded, but I wonder how many of you realize that within a generation 4 of every 5 Americans may be living in cities with population densities far in excess of present day Japan.

By the year 2000, the average population density of the urban areas of this country will be 774 people per square mile. Crowded as it is, Japan today has only 672 people per square mile.

Within 35 years, if the present trend continues, 240 million Americans will be jammed onto only 8.7 percent of the land, while only 60 million will occupy the remaining 91.3 percent.

Now 35 years may seem a long time away. It isn't. And, it's already later than some of you may think.

Right at this moment, my friends, no less than 70 percent of your fellow Americans are living on only 1 percent of the land area of this great and spacious nation!

Some say this concentration of people in the cities is desirable. Many others say it is inevitable.

I say it is neither.

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Address by Secretary of Agriculture Orville L. Freeman before the Chamber of Commerce, Columbus, Indiana, July 22, 1966, at 12 noon

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I say it is national folly. I say it is cultural and economic idiocy. And I want to tell you why.

But first let me briefly outline how this all came about ... how our once agrarian society adopted, in a relatively short span of history, an industrial, commercial, and urban-oriented culture.

This nation was born as a nation of farmers, but it was, in fact, the very genius of these farmers which spurred the ensuing exodus from the land to the cities.

As the farmer began to produce more than enough for his own needs, some were freed for other pursuits. The technological advances later made in agriculture made it possible for fewer and fewer farmers to feed more and more people.

Until well into this century, this trend presented no great economic or social problems. Indeed, it was a healthy trend, for the growth of the great urban centers was undoubtedly a key factor in the phenomenal economic development of this Nation.

The cities remain important. They always will be. But to be important ... to make a positive contribution to the economy and to society ... they must be healthy. And too many of them are sick today!

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There are many reasons why so many of our cities are sick. But behind each of the specific causes is the broad cause of simply too many people for too little space.

This, in turn, means too many problems for too few solutions. It means too many demands for services and too few tax dollars to pay for them. It means too many pupils and not enough classrooms. It means smog in the air and filth in the water. It means too many poor and too much crime, and overworked and understaffed police forces and welfare agencies. It means slums in the heart of the city and suburban slums at the outskirts.

And it means the foment of frustration compounded by congestion... and riots in the long hot summer.

No one can ignore the slums and ghettos of the cities. They are there. They are real. In a matter of hours, you can drive from here to the core of many a big city and find yourself in a virtual jungle where frustration breeds crime, crime breeds more crime, where hopelessness and gloom are the order of the day, and the smell of poverty hangs over all.

We are now in the midst of the longest, uninterrupted prosperity ever enjoyed by this Nation. And there are no signs of it coming to an end.

Yet despite this unprecedented economic bounty, there are still more than 38 million poor Americans. Perhaps we shall always have some poor. But we need not have 38 million of them.

Much is being done to combat poverty. Much more will be done.

In his determination to see a Great Society created in this Nation, President Johnson has marshalled many weapons for the War on Poverty. At his urging, the Congress has enacted legislation which created a new Department of Housing and Urban Development, the Job Corps, the Neighborhood Youth Corps, and a National Teacher Corps to work in poor areas. The Congress also has enacted legislation which provides for increased job training, more medical care and housing aids, and aid for local police forces... all designed to defeat poverty and cure urban blight.

But great as these weapons are, how can they win a final victory as long as millions of people continue to pour into the cities from the countryside each passing year?

The ultimate victory in the war on urban poverty and urban blight will be won only when we have stemmed the exodus from rural America ... and indeed reversed it.

This will serve not only to help restore health to the cities ... but also to cure an ailing rural America.

Psychosomatic or not, some parts of rural America are ailing. But today I am happy to say there is hope, there is determination ... and there are encouraging signs of progress all around.

I came to the Midwest this weekend to hold meetings with farmers in four States, to review and discuss with them the status of agriculture in America today.

I'm doing this because my mail from the Farm Belt reveals some concern, some apprehension, and some misunderstanding which has come about, in large part, because of misinformation.

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Farmers are asking me -- "What is our future?" "Should we stay on the land, or should we look for jobs in the cities?" "Can we ever do as well as our city cousins?"

I've come to the Midwest to answer their questions directly. To communicate with them on a face-to-face basis. And I will tell them that while we are not yet satisfied, while there are still many things to be done, the farmers of America have made truly remarkable progress in the past five-and-a-half years.

Indeed, I will tell them that on the strength of that record of progress I can now safely predict that by the end of this decade we can achieve our long-sought mutual goal of full parity of income for the adequate size family farming operation.

This Administration took office with two goals in mind for agriculture. We were determined to reduce the mountainous grain surpluses which were depressing farm prices and gouging the taxpayer. And we were determined to see farm income increased.

I think the record will show that we are succeeding. In five-and-a-half years we have reduced the wheat surplus from 1.4 billion bushels to approximately 550 million bushels -- and this spring sharply increased the acreage allotment -- and we have reduced the feed grain surplus from 85 million tons to 50 million tons.

Farm income has risen during the same period. Gross farm income will be nearly \$10 billion more this year than it was in 1960, and net income per farm will approximate \$4,800 this year in comparison with only \$2,956 six years ago.

The products moved into foreign markets from our farms will return \$5 billion hard dollars this year...a dollar sales figure more than 50 percent greater than it was in 1960.

We in this Administration are proud of this record. But we are far from satisfied yet. We know that while farm prices have risen since 1960, they are still 18 percent below what they were in 1951. And we know that while the income gap between farmer and non-farmer has been narrowed by 18 percent since 1960, farmers still earn only two-thirds as much as city people.

Nevertheless, on balance the agricultural sector of our economy is making real progress and will do even better in the years ahead. So I will tell our Midwest farmers that there are far more reasons for them to be optimistic than pessimistic, and many more reasons to be encouraged than discouraged.

I only wish the picture were as bright for the remainder of rural America. In many respects, it is not. But wherever I go, I see an enthusiastic determination to do something about it and encouraging evidence that something is being done about it.

The illness that afflicts the small towns and cities of America is in large part psychosomatic. Somehow, some time in bygone years, a peculiar mental set developed. In some way the suspicion that rural America was empty of opportunity became a conviction, and hordes of country people moved to the cities in quest of money and success.

Now, in hindsight, we see the irony.

Just consider for a moment what rural America offers.

Think of what it offers in the way of the good life for the individual American. A closer communion with nature. Open skies. Trees. Sparkling streams and lakes. Freedom from congestion. Space to breathe and live and grow and play. Space to drive and space to park. Recreational opportunities of myriad variety and ready access. The chance to identify with the community...and take pride in where you live.

Many people want to live in rural America. A Gallup poll report published earlier this year revealed that nearly half of all persons surveyed said they would like to live in a small town or on a farm. Yet less than a third of them do.

But they could, my friends. They could. If we can just overcome the unjustified disenchantment with the countryside...if we can take positive steps to provide the opportunities there that many mistakenly believe exist only in the cities...we can hold people in Smalltown America and bring many back from the cities.

Now, how do we do that? We do it by selling those who create jobs -- business and industry -- on the advantages of rural locations.

What are those advantages? Just about everything business and industry seek: clean air, pure water, lower land costs, building costs, utility costs and service costs...and a built-in skilled and trainable labor force.

Some areas offer even more. In the absence of an industrial tax base, the individual home owners and retail store owners of some responsible communities have willingly shouldered heavy tax loads to provide good schools and teachers for their children, to carry out sound local welfare programs, to support good police forces, and to build excellent community health facilities.

And some have gone beyond that. Some have formed local new industry committees which work day and night to find good industrial locations, provide the facilities, services and buildings industry seeks, and to encourage industry to locate in their towns.

I can assure you that enlightened businessmen and industrialists are looking for such advantages. They know that these things pay off in low personnel turn-over, high staff morale...and increased profits.

Not long ago, I told a gathering of the Nation's top industrial and business leaders that modern transportation and communication facilities, coupled with the ready availability of unemployed or underemployed trained and trainable rural labor, refute the traditional case for locating business and industry only in the big cities.

I told them that in today's America few industrial plants need be more than an hour or so away from raw materials and sales markets, nor more than minutes away from power supply and manpower...no matter where they are located.

I called their attention to the acres of choice industrial land to be found in rural America, land which would accommodate their

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present needs and future expansion, locations which would help improve service to regional and local markets, service growing new markets created by an expanding and mobile population...and at the same time reducing their operating costs.

I told them that most rural communities have an abundant supply of water for industrial needs and recreational pursuits, a ready source of industrial fuel and power, access to rail, highway, air, and, in some cases, water transportation facilities, and a ready-made labor pool.

And I told them that local development committees, State business and industrial development committees, and the Federal government stood ready to assist any businessman or industrialist who was considering opening a plant in rural America.

I also made it crystal clear, however, that I was not encouraging "runaway" plants, industrial "piracy" or the unscrupulous exploitation of the job-hungry countryside.

I took that occasion to announce the launching of the Department of Agriculture's new Rural Industrialization Program, a program which I am confident can make a valuable contribution to the well-being of the entire Nation.

Through this program we hope to bring the profit potential in America's smaller communities to the attention of industry. The Rural Industrialization Program staff will consult with businessmen in Washington, or in their own offices. Staff members will assist them to find the proper location and will serve as a liaison in arranging

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whatever financial and technical assistance is needed.

We will soon have available brochures which describe worker training programs financed by the Government, offer specific information on industrial financing programs, discuss industrial sites, water supply, natural resources, and transportation facilities available in rural areas, and specifically spell out how the Department of Agriculture can help businessmen open new plants in the countryside.

All of this does not constitute a sudden new effort to revitalize rural America. The need has been seen for years. The Rural Industrialization Program is an important new tool to bolster and supplement those already at work. The Rural Areas Development program was started in 1961, for instance, and since that time has mobilized 150,000 rural leaders to work to create new job opportunities and improve rural living conditions. The Rural Community Development Service was launched a little more than a year ago to carry to community leaders information about the full range of Federal services, the relationship of one to the other, and the procedures for achieving their use.

And still another important new tool, the Community District Development Program which I will detail in a moment, is now pending in Congress.

The countryside-to-city population movement can be stemmed if we can put jobs in our small towns and cities, and today I am asking your interest and your wholehearted support of this effort. I am asking every small town businessman and workingman to budget some of his time and effort toward working to make his community attractive to industry. And I am

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asking industrialists and businessmen throughout the Nation to give careful consideration to the profit opportunities to be found in rural America.

Just as I have come out here to reassure the farmers, to tell them they are making significant progress and that the future is brighter than ever, so, too, am I here to tell the businessmen of the towns and small cities to have faith in their future to have confidence that we can keep people in rural America by increasing opportunity there.

We can stem the exodus. Not only can it be done, it is already being done. It is being done whenever people in small cities and the open countryside seize the initiative and begin working together to build water and sewer systems, recreation areas, industrial parks and new homes.

The people who are doing these things are doing them with the full cooperation and assistance of their Federal and State governments.

Let me just cite a few statistics to give you some idea of how massive is the Rural Areas Development effort being carried out by the people with their Government.

Since July of 1961, 1,412 rural community water systems to bring modern water service to some 910,314 people have been financed by government loans totaling \$187,871,065.

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Since January of this year, when the necessary legislation was passed, 18 sewer projects and 7 combination water and sewer projects were financed for rural communities by Government loans and grants totaling \$7,000,750.

Between 1961 and 1966, 62,965 housing loans to non-farm rural residents were made. These loans totaled \$618,410,998.

Since 1963, Farmers Home Administration loans totaling \$36,052,808 have made possible the establishment of 288 community recreation centers serving visitors as well as more than 324,000 family membership holders.

Since 1963, 122 senior citizens' rental housing projects in rural communities have been financed by Government loans totaling \$6,713,630.

Economic Opportunity loans have been made to 11,027 non-farm, low-income rural families to help them establish trades and services needed in their home areas. Since this program's inception in January of 1965, loans have totaled \$19,745,101.

On the conservation and recreation front, the number of small watershed projects approved for operations has increased from 212 on January 1, 1960, to 729 on July 1, 1966, a 244 percent increase. In fiscal year 1966, 94 projects were approved.

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And during the last five fiscal years, 1,777 National Forest campgrounds have been added, together with 385 picnic grounds, 49 swimming sites, 243 boating sites, 15 winter sports sites, and 97 more observation sites.

We can see the effect of this community approach to rural areas development throughout the Nation...and we can see it right here in southern Indiana where there are now...

...The Bata Shoe plant at Salem with 600 jobs...Indiana Sand and Glass at Corydon with 50 jobs...the Borden plant with 375 jobs...a new airport at Tell City...the Storrs wood plant will provide 64 jobs when construction is completed...more than 30 community-wide water systems have been built...67 picnic areas and 3 new camping areas have been developed in Hoosier National Forest.

Unemployment in the area was as high as 18 percent in the spring of 1961. Now it has dropped to about 6 percent in most southern Indiana counties.

Twenty-one of those counties had been designated as redevelopment areas by the Commerce Department because of low income and high unemployment rates. Now with the economic progress made, only 8 are still eligible for commercial and industrial redevelopment loans, and none qualify for the accelerated public works provisions to combat unemployment.

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The State of Indiana, through its industrial development revolving fund, has helped local development groups finance a number of industrial projects. I am informed that the nearly \$2 million loaned by the State helped develop plants that provided more than 1,800 jobs throughout Indiana.

All of the counties in southern Indiana and most other counties throughout the State have organized community action programs in an effort to eliminate the remaining pockets of poverty.

One of the most recent War on Poverty projects will help beautify the highways in 10 southern Indiana counties, while providing incomes and job training for 120 senior citizens. The State Highway Department and the Office of Economic Opportunity are cooperating on this project.

All of this proves that much can be done to build the kind of resources needed to keep people in the countryside when there is active and dedicated leadership at the community level, and an active and cooperative response at the Federal and State levels.

And soon we will have another major implement to use in the effort to bring new opportunities to rural America. I speak of the Community Development District Act which has been passed by the Senate and is now before the House of Representatives.

(more)

This legislation will provide Federal funds to enable people in towns, small cities, and counties to organize Community Development districts and to hire professional planning staffs. The planning staff will be hired and directed by a board or commission that is appointed by, and answerable to, the county and municipal governments within the district -- at least those that choose to participate in the planning district.

The typical district might include one or more small or medium-sized cities, a number of smaller towns, and the open countryside within 30 to 50 miles of the service or commuting center. In effect, it will recognize predominant commuting patterns traced by the residents themselves in their day-to-day travel to work, to school, to shop, and in pursuit of social activities.

By pooling resources, and with coordinated planning, the small city and surrounding countryside could develop new economic opportunities and a broader range of public and private services than either would likely achieve on its own...and could avail itself of the kinds of governmental programs already benefiting other communities.

The Community Development District bill, the Rural Industrialization Program, the many other Rural Areas Development activities, and the War on Poverty efforts all will obviously help our metropolitan areas as well as our towns and small cities.

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By creating a greater range of opportunity in the countryside, they will slow the movement of people from the country to our already overcrowded cities. This, in turn, will give city officials the breathing time they need to cope with the problems of inner city decay and suburban sprawl, social strife and congestion, rising welfare costs, crime and juvenile delinquency.

Never before have I encountered such enthusiasm, such determination-- the feeling that we can correct the handicaps of both city and countryside.. and realize the full potential of our dynamic and expanding economy.

If we cooperate -- if we work together -- if we pool our resources and our talents ... then the day will come when every man can decide -- without being forced by economic considerations -- whether to live his life and pursue his career in the Big City ... or in Smalltown, USA.

I hope to see that day. I know you do, too.

Thank you.

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I'm delighted to have this opportunity to meet with the farmers of Indiana on their home grounds.

This is the kind of thing I used to do often when I was governor of Minnesota -- I mean reporting periodically to the people -- in person -- in the communities and towns.

I'm deeply grateful to the farm organizations and service clubs of the Seymour community for making this meeting possible.

Here in this great farming and industrial State of Indiana, you recognize that agriculture and industry are truly interdependent. You have learned from first-hand experience that a stable and prosperous agriculture is essential to the well-being of the entire economy.

We've just come from a Chamber of Commerce luncheon in Columbus where I had a chance to visit with several hundred business and professional people about the need for mutual understanding among farm and city people.

During the past few years the future of American agriculture has grown steadily brighter. There is far more real opportunity for young people who choose agriculture as a career today than there was only a few years ago. I believe that in the decade or so that lies ahead there will be a still greater increase in those opportunities.

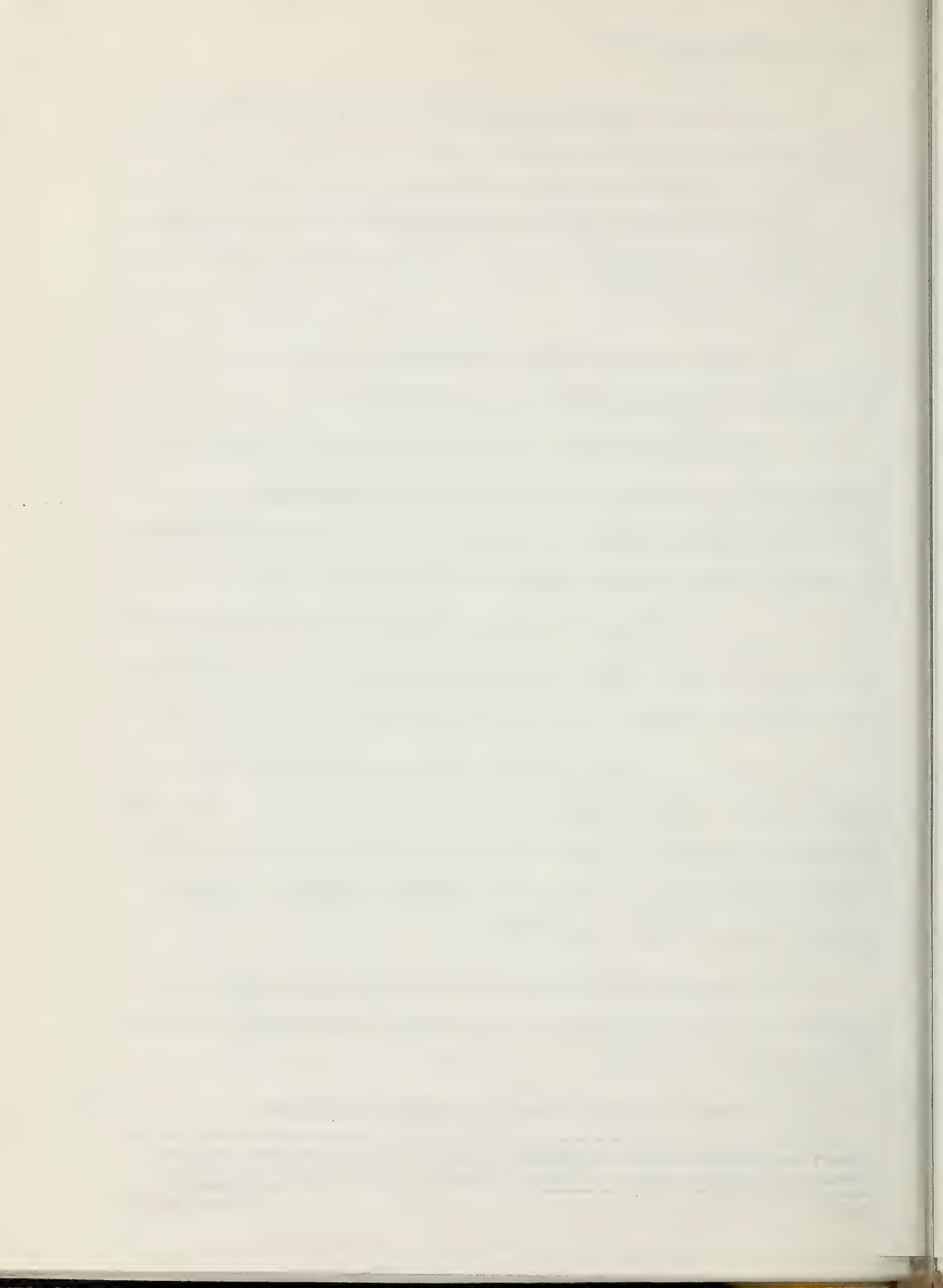
As Secretary of Agriculture, I'm very much concerned that this climate of increasing opportunity in agriculture should prevail, and should be enhanced.

I'm here to report on what we are doing to this end.

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Report and Review Session statement by Secretary of Agriculture Orville L. Freeman at Seymour, Indiana, Friday, July 22, 1966, at 2:00 p.m. (CDT).

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I wanted to meet with you personally, face to face, to talk to you directly ... and to ask you to talk to me just as directly.

I was happy to accept an invitation to meet with you because I have been concerned about some of the mail I have received ... some newspaper articles I have read ... some comments from farmers that I have visited with. I have heard expressions of concern, anxiety, even apprehension about the future of American farming.

This is why I have come to talk with you. I want to do my best to clear up any confusion or misunderstanding that exists about actions taken or statements made during a very tense situation in our national economy. In exchange, I am hoping to receive your guidance, advice, and understanding.

First, however, I want to launch this report to you farm folk on a note of encouragement that truly describes the optimism I feel after five and one-half years as Secretary of Agriculture:

Prospects for American agriculture are much brighter than they have been at any time during this half a decade -- and, it goes without saying, much brighter than for many years prior to that. We still have far to go ... but ... we are on the way!

Communication between the Secretary of Agriculture and the rural Americans he serves is a two-way street. Today I shall outline the state of agriculture as I see it, and then I shall answer your questions, as fully and as honestly as I can, for as long as you want me to reply to them.

(more)

Without that two-way communication, our chances of accomplishing our mutual goals are mighty slim. I say this with good reason. We both know that farm families today represent only about 6 percent of the population. We know that the days of the so-called "farm bloc" vanished long ago, and that our legislative power -- because of a decline in rural population and the ensuing reapportionment -- has been eroded.

With these facts in mind, then, it's become increasingly apparent that if we're to accomplish anything, we need the closest cooperation possible ... and we need to speak with a united voice.

I want to make it clear at the start that I'm not asking for total agreement with what I have to say today. Nor am I saying in any way that dissent is a bad thing. Any Secretary of Agriculture who expects complete consensus would be a naive Secretary of Agriculture, indeed, for if one characteristic distinguishes the American farmer it is his free thinking individualism.

Nevertheless, we all know that there is more strength in unity than in diversion, and the fact that we have achieved a heartening degree of unity in recent years has paved the way for truly significant progress in agriculture. I believe that from that progress we are entitled to take encouragement. Certainly there is no reason to despair; rather we should resolve to do even better -- confident that, from what has been done, we can and will do even better.

(more)



Today I'm going to ask you to take a hard look at what we have accomplished, to ask yourself if we have made progress, to determine if the voluntary programs we have worked out together -- such as the feed grain program -- have been good or bad ... and to decide whether the alternatives offered by others would be to your advantage or disadvantage. While you're doing this, I hope you'll be thinking of questions to ask me at the close of this session.

So let's review what has happened since 1960.

I say we've made great progress together. Perhaps there have been times when we've had to measure that progress in inches, but the record will show that we've moved ahead steadily for the past five and a half years and that agriculture is far healthier today than it was at the beginning of this decade.

We've made that progress, I contend, because we have spoken effectively in the halls of Congress, because we've had the 100 percent backing of two great Presidents, and because we've been able to win the backing of forward-looking urban as well as rural legislators.

It hasn't been easy. It won't be any easier in the future. We all know that with fewer and fewer voters in rural America, and more and more voters in urban America, we cannot move forward in agriculture without the understanding and the support of city legislators.

That is why it is so important for agriculture to speak with one voice, for if the farmers speak in tongues the urban Congressmen and Senators will become confused and turn away from Babel.

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So far in this decade of the 1960's we have spoken with a united enough voice to win their support and to enact into law no less than five major agricultural bills--one in each congressional session--and all aimed, and all succeeding, in reducing grain surpluses and raising farm income.

I could outline the progress achieved with the passage of each of these acts, starting with the first emergency Feed Grain bill in the early months of the Kennedy Administration, but today I'll confine my remarks to the biggest and the best, the Food and Agriculture Act of 1965, an Act which gives us the final flexibility we needed to move acres in and out of production with economy and efficiency ... and to produce for the marketplace, instead of for the storage bin.

We made use of this adjustability when we increased wheat acreage allotments by 15 percent, and rice acreage allotments by 10 percent to meet the demands of war and drought in Asia, and to assure continued adequate domestic supplies. The flexibility of the new Act was demonstrated in February of this year when we acted to allow soybean production on feed grain acreage, and to increase the support price of soybeans and milk.

And there are many more examples. But I'm sure you're interested primarily not in examples, but in results -- and the results of the legislation passed since 1960 have been in one direction only -- UP.

I did not come here to tell you how well off you are. But I did come here to tell you that we can take encouragement from how well you are doing.

Not all farmers are well off. They know that. I know that.

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Even in this period of the longest uninterrupted prosperity in our history, there are some whom prosperity has not reached. And some of these are farmers.

For them, prosperity is just a word ... and statistics cold consolation.

Our job now is to make prosperity more than a word for these people -- to move them onto the plus side of a ledger which shows, beyond a doubt, that farmers are making dramatic progress in the 1960's.

Agriculture has made so much progress that today I can confidently predict that our long-sought goal of full parity of income for the adequate size family farming operation can be reached by the end of this decade.

There is a proviso, of course. And that proviso is this:

We can't lose faith in one another.

We can't let the mendacious, the malicious, the politically avaricious and voracious drive the farmer and his government apart.

The remarkable progress we have made since 1960 was made because the farmer and his government worked together to put the right kind of legislation on the books, lived up to our respective responsibilities under that legislation ... and kept faith with one another.

I needn't tell you that the campaign to separate the farmers and their Government has already begun. You have seen it out here.

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But really, isn't it ironic that this Administration, with its unbroken record of reducing surpluses, increasing farm income, and renovating and revitalizing rural America, should now be called insensitive to the farmer by the very people who told the farmer he never had it so good in those grim years between 1952 and 1960?

Well, let's do a little comparing, should we? Let's see what's been happening here in the farm belt since 1960.

When we took office, two primary agricultural goals were set: Increase farm income -- and reduce grain surpluses. How well have we done?

Let's look at the farm income picture. Since 1960 --

\*The income gap between what the farmer earns and what the city wage earner earns has been narrowed by 18 percent.

\*Net farm income climbed from \$11.7 billion to \$14.2 billion by the end of 1965 -- up 20 percent -- and this year will climb another billion dollars. Perhaps they'll climb even higher; reports on first-half 1966 indicate that this year's total may be \$1.5 billion greater than in 1965.

\*Net realized income per farm, which averaged \$2,956 in 1960, rose to \$4,200 by the end of last year, and was expected to reach \$4,600 in 1966 -- an increase of 55 percent in six years. But if advances made during the first half of 1966 continue at the same rate in July through December, this year's figure will climb to \$4,800 net per farm.

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Let's take it state by state for this farm region.

For Iowa, total net farm income jumped from \$708 million in 1960 to \$940 million in 1965, and net income per farm rose from \$3,850 to \$5,665. In Indiana, total net farm income went from \$337 million to \$496 million, and net income per farm from \$2,518 to \$4,171.

Total net farm income in Wisconsin climbed from \$394 million to \$466 million and net income per farm from \$2,858 to \$3,762. In North Dakota net farm income soared from \$145 million to \$299 million and net income per farm skyrocketed from \$2,582 to \$6,108. And in Nebraska total net farm income rose from \$341 million to \$482 million while net income per farm was increasing from \$3,664 to \$5,880.

These are official Government figures. They represent, in the case of net income per farm, statistical averages, and we know there are many individual exceptions.

Nevertheless, these figures represent striking progress in the past five and a half years in our mutual effort to increase farm income.

No less striking is the reduction in grain surpluses, surpluses which, during the '50's, provided a target for critics of farm programs to lambaste the farmer.

And there is a real success story which, unfortunately, has not reached enough urban residents. The surpluses of grain which once pushed through the ceiling -- and sent prices plummeting through the floor -- have been largely eliminated.

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Comparing Commodity Credit Corporation's uncommitted stocks of major grains in early July, 1961, with early July, 1966, we find wheat supplies, which stood at 1.2 billion bushels in 1961, now total 252 million bushels. Corn, which also stood at 1.2 billion bushels, is now down to 91 million bushels. And supplies of grain sorghums, which stood at 689 million bushels, are now down to 356 million bushels.

Those are the savings over five years. Short term reductions have been equally great. Just during fiscal year 1966, for instance, the CCC stocks of wheat dropped 355 million bushels ... corn by 386 million bushels, and grain sorghums by 203 million bushels.

Storage and handling costs for all farm commodities, which ran around \$1.1 million per day during fiscal year 1961, will be only about 56 percent of that figure during fiscal 1966 -- a savings of nearly half a million dollars a day ... and \$189 million a year.

The improvements in farm income we talked about earlier are attributable in no small part to this reduction in commodity supplies. Supplies of grain five years ago were so large that they not only represented a heavy cost to the Government, but also caused a severe downward pressure on markets. The feed grain surplus both held prices down and threatened the stability of the entire feed-livestock economy.

Successful grain programs have had the effect of reducing both wheat and feed grain carryovers to lower, yet still adequate, levels. These programs brought stability to the feed grain market and permitted the revival in livestock prices that we have seen in these past two years. We're now seeing higher prices in the grains, as supplies come into near-balance.

To get this done, the Commodity Credit Corporation had to sell grain; there was no other way to get it out of Government hands and into use. But the result is that -- for the first time in many, many years -- the prices of grain are being determined by the interplay of market forces.

We do not intend nor expect that this better-balance in grain supplies will keep us from meeting our overseas commitments and opportunities. And certainly, domestic supplies will continue to be entirely adequate.

The chief case in point is wheat -- since we have been exporting well over half of our entire wheat crop. (Exports of feed grains, while important and growing, are by no means as important a factor relative to the total crop.)

We are now at the end of a marketing year for wheat, and the July 1 carryover -- the amount in both Government and private hands -- is about 550 million bushels. This is a lower amount than we have had for a number of years but still more than an entire year's consumption for feed in this country. With the smaller 1966 crop now expected, we can look for a somewhat smaller carryover a year from now -- but by no means as low as the 250 million bushels that some people are talking.

In May, President Johnson announced a 15 percent increase in the wheat acreage allotment for next year's crops. As things stand now, the acreage allotment that farmers will begin planting this September is 59 million acres -- up eight million acres from this year. With normal weather this will give us a crop of over 1.5 billion bushels -- the largest crop ever harvested.

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We will continue to watch the wheat situation -- both here and abroad -- as well as the outlook for other crops. We have the ability to make any needed shifts. We continue to have an immense productive potential -- far above what we can make wise use of at present.

This is a fact to keep always in mind when critics of farm programs call for a return to the so-called "free market," or for taking all the wraps off production.

We have about 60 million acres on standby right now as a result of government programs. (By the end of this year, after the increase in wheat allotments, we will have about 52 million in reserve.) We have another 100 million acres which qualify as "cropland," but are not harvested in any given year for one reason or another.

If we took all the restraints off and brought this land into production -- fence row to fence row -- we'd be producing more food than we could consume here at home, more than we could sell overseas, more than we could even give away without completely disrupting the agricultural economics of other nations. And this situation will be true well into the 1980's, according to all the predictions of the experts.

In other words, the call for unlimited production, for "getting the government out of agriculture" which we hear so often, just doesn't ring true, however good it may be as a political slogan. Because if we did this, the farmers of this Nation would pay the price -- pay for it with depressed commodity prices, increasing foreclosures, and a stagnated agriculture with overwhelming surpluses.

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For if the truth be known, there are no quick, easy, or permanent solutions to our problems -- no panaceas, no instant, fresh-frozen, pre-packaged plans for success. This is not to say that we are not making progress, or that we won't continue to make progress in the future. I feel certain we shall, given the will to do so on your part, and given the same close working partnership that you and I have enjoyed in the past. But we will have to work at it constantly. Ours is a world of change, and nowhere is this more true than in agriculture. We must continue to adapt to changes shaping them to serve our nation, our farmers, and humanity everywhere.

One other thought. I hope no one here is satisfied completely with the way things are. I'm certainly not. The President of the United States is not.

We know that farm prices these last six years have not gone up at the same pace as the prices of other products and services, and we know that farm production cost rates have gone up at a swifter pace.

In the past five years, prices paid by farmers have risen 8 percent, an increase somewhat higher than the consumer price index. This figure is double the 4 percent rise in the index of prices received by farmers, but thanks to greater production efficiency ... and government payments ... the adjusted parity ratio is still higher today than it was in 1960 and net income, as we have seen, is considerably greater. In the last analysis it is that net income figure -- what you have left at the end of the year -- that really counts.

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The President knows, and I know, that despite the farm income gains made since 1960, farmers still lag behind non-farmers. The gap has been narrowed by 18 percent, but, on a per capita basis, farmers still earn only two-thirds as much as non-farm people.

If anything, these dark spots in an otherwise optimistic farm picture only spur us to redouble our efforts to reach that goal of full parity of income for the farmer before this decade is history.

We know it can be done ... because we've seen how much has been done already.

For despite the dark spots, today's farmers are making steady progress ... and most are making money.

Here in Indiana, gross farm income increased 13 percent from 1960 to 1965, and gross income per farm climbed 36 percent in the same period.

Realized total net income for the state rose 37 percent, up from \$360.6 million in 1960 to \$496 million in 1965, and realized net income per farm jumped 66 percent from \$2,518 to \$4,171 in the same two years. First-half 1966 projections indicate that the comparable totals for this year will be \$600 million and \$5,170.

Indiana farmers worked hard for these income gains -- which were sorely needed and long overdue. Income rose because of three main factors: a speedup of farm production efficiency, farmer participation in federal programs, and the encouragement and help of the federal government.

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A good example of all three is feed grains. Here in the Midwest, the feed grain program has not only helped to strengthen the grain market, it is bringing strength to the livestock industry. And of course support and stabilization of the livestock economy is one of the main reasons for that program.

Over the years, we've seen that the price of corn and the supply of corn are the most important factors affecting the supply of livestock and, therefore, the price of livestock. Too often, cheap feed grains bring a buildup in livestock numbers that the market just can't handle at a decent price.

The low prices that cattle and hog producers experienced beginning in 1963 were in no small part the product of the cheap feed grain policy of the late 1950's.

And the remarkable recovery that livestock prices made in 1964 and 1965 was in no small part the product of farmer participation in the feed grain program. Without the growing stability in feed grains that began in 1961, it is hard to imagine that livestock prices could have come back the way they did.

Do any of you really think we would have \$25 hogs if it were not for the feed grain program?

Today our corn supplies are in balance, as a result of the program and of careful pricing to take advantage of both export and domestic demand. Corn prices are strong. Livestock prices are relatively stable. And our long-range livestock picture is extremely promising.

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This assumes that we continue to make the feed grain program work -- so that we don't get ourselves into another cheap corn disaster such as we experienced in the 1950's. You may remember that in 1960 farmers received an average corn price for the whole year which was below a dollar a bushel. In June of this year, the average price received by farmers was \$1.19 and the market has strengthened somewhat since then. In addition, feed grain program cooperators received a 20-cent price support payment on the 1965 crop now being marketed.

Another success story is soybeans. Farmers are not only growing half again as many soybeans as five years ago -- they are growing these beans under a program that assures them a fair share in the growth of this dynamic market.

A few years ago, it was not uncommon for the price of soybeans to rise after the farmer's crop had gone to market -- so that the grower didn't get the benefit. But in the last five years, we have followed a policy of setting the support price at a level to encourage production and to assure farmers a share in improved prices.

The result is that farm income from soybeans has almost doubled since 1960. The average farm price rose during that time from \$2.13 to \$2.49, and growers this year will have the benefit of a price support level averaging \$2.50. Also, producers who planted soybeans on feed grain acreage can continue to earn price support payments.

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The soybean story is prime proof that the farm programs can be used to encourage production when it is needed -- while protecting the grower who makes our abundance possible. This is one of the purposes of the Food and Agriculture Act of 1965 -- and I believe we are already seeing the value of this flexibility.

Now I'd like to conclude this message with some brief reference to the over-all progress being made by our Nation.

In the past year and a half, for instance, we have seen the enactment of a wide range of measures designed to build the Great Society and destined to affect every walk of American life.

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For city dwellers -- the Housing and Urban Development Act, The Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

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For rural dwellers -- the Food and Agriculture Act of 1965, and a host of new programs and services to strengthen and broaden the economic base of rural America and stop the exodus of people from countryside to crowded cities.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- The historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- The Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

While these far-reaching measures are aimed at specific needs and inequities, they are not by any means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

America has come a long way in five and a half years. Progress, real progress, has been made on every front ... including agriculture. If I have convinced you of this, if I have reassured you that there is far more reason to be encouraged than discouraged, then I consider part of my mission accomplished.

And now I hope to accomplish the other part of that mission by opening this session to questions from the floor. Who'll be first?

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I feel privileged to have the opportunity to report directly to the farmers of America's dairyland and to exchange ideas about agriculture here in Wisconsin and in the whole nation.

May I say to the Federated Farm Organizations of Rock County that I'm deeply grateful to you for sponsoring this meeting.

Last month I had the pleasure of making a similar visit to Iowa. And as many of you may know I have spent most of today in Indiana and will go on to North Dakota, Nebraska, and Iowa during the next two days.

I wish every farmer in America could accompany me on these visits. If this were possible, I'm sure he would be convinced that our agriculture is approaching its period of greatest development, prosperity, and returns to producers.

In general, the farm economy today is healthier than anyone could have anticipated six years ago. But there are some soft spots, and dairying is one of them.

So I wanted to come out here and talk with you. Distance, as you well know, all too frequently distorts communication. And it's a long way from Washington to Janesville.

Now that I'm here I want to make the most of this opportunity to communicate with you directly. I'm going to tell you frankly what we've been doing in Washington -- and I want you to tell me frankly what you are thinking about here in Wisconsin.

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Report and Review Session statement by Secretary of Agriculture Orville L Freeman at Janesville, Wisconsin, Friday, July 22, 1966, 8:00 p.m. (CST).

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I wanted to meet with you personally, face to face, to talk to you directly ... and to ask you to talk to me just as directly.

I was happy to accept an invitation to meet with you because I have been concerned about some of the mail I have received ... some newspaper articles I have read ... some comments from farmers that I have visited with. I have heard expressions of concern, anxiety, even apprehension about the future of American farming.

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First, however, I want to launch this report to you farm folk on a note of encouragement that truly describes the optimism I feel after five and one-half years as Secretary of Agriculture:

Prospects for American agriculture are much brighter than they have been at any time during this half a decade -- and, it goes without saying, much brighter than for many years prior to that. We still have far to go ... but ... we are on the way!

Communication between the Secretary of Agriculture and the rural Americans he serves is a two-way street. Today I shall outline the state of agriculture as I see it, and then I shall answer your questions, as fully and as honestly as I can, for as long as you want me to reply to them.

(more)

Without that two-way communication, our chances of accomplishing our mutual goals are mighty slim. I say this with good reason. We both know that farm families today represent only about 6 percent of the population. We know that the days of the so-called "farm bloc" vanished long ago, and that our legislative power -- because of a decline in rural population and the ensuing reapportionment -- has been eroded.

With these facts in mind, then, it's become increasingly apparent that if we're to accomplish anything, we need the closest cooperation possible ... and we need to speak with a united voice.

I want to make it clear at the start that I'm not asking for total agreement with what I have to say today. Nor am I saying in any way that dissent is a bad thing. Any Secretary of Agriculture who expects complete consensus would be a naive Secretary of Agriculture, indeed, for if one characteristic distinguishes the American farmer it is his free thinking individualism.

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(more)



Today I'm going to ask you to take a hard look at what we have accomplished, to ask yourself if we have made progress, to determine if the voluntary programs we have worked out together -- such as the feed grain program -- have been good or bad ... and to decide whether the alternatives offered by others would be to your advantage or disadvantage. While you're doing this, I hope you'll be thinking of questions to ask me at the close of this session.

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(more)



So far in this decade of the 1960's we have spoken with a united enough voice to win their support and to enact into law no less than five major agricultural bills--one in each congressional session--and all aimed, and all succeeding, in reducing grain surpluses and raising farm income.

I could outline the progress achieved with the passage of each of these acts, starting with the first emergency Feed Grain bill in the early months of the Kennedy Administration, but today I'll confine my remarks to the biggest and the best, the Food and Agriculture Act of 1965, an Act which gives us the final flexibility we needed to move acres in and out of production with economy and efficiency ... and to produce for the marketplace, instead of for the storage bin.

We made use of this adjustability when we increased wheat acreage allotments by 15 percent, and rice acreage allotments by 10 percent to meet the demands of war and drought in Asia, and to assure continued adequate domestic supplies. The flexibility of the new Act was demonstrated in February of this year when we acted to allow soybean production on feed grain acreage, and to increase the support price of soybeans and milk.

And there are many more examples. But I'm sure you're interested primarily not in examples, but in results -- and the results of the legislation passed since 1960 have been in one direction only -- UP.

I did not come here to tell you how well off you are. But I did come here to tell you that we can take encouragement from how well you are doing.

Not all farmers are well off. They know that. I know that.

(more)

Even in this period of the longest uninterrupted prosperity in our history, there are some whom prosperity has not reached. And some of these are farmers.

For them, prosperity is just a word ... and statistics cold consolation.

Our job now is to make prosperity more than a word for these people -- to move them onto the plus side of a ledger which shows, beyond a doubt, that farmers are making dramatic progress in the 1960's.

Agriculture has made so much progress that today I can confidently predict that our long-sought goal of full parity of income for the adequate size family farming operation can be reached by the end of this decade.

There is a proviso, of course. And that proviso is this:

We can't lose faith in one another.

We can't let the mendacious, the malicious, the politically avaricious and voracious drive the farmer and his government apart.

The remarkable progress we have made since 1960 was made because the farmer and his government worked together to put the right kind of legislation on the books, lived up to our respective responsibilities under that legislation ... and kept faith with one another.

I needn't tell you that the campaign to separate the farmers and their Government has already begun. You have seen it out here.

(more)

But really, isn't it ironic that this Administration, with its unbroken record of reducing surpluses, increasing farm income, and renovating and revitalizing rural America, should now be called insensitive to the farmer by the very people who told the farmer he never had it so good in those grim years between 1952 and 1960?

Well, let's do a little comparing, should we? Let's see what's been happening here in the farm belt since 1960.

When we took office, two primary agricultural goals were set: Increase farm income -- and reduce grain surpluses. How well have we done?

Let's look at the farm income picture. Since 1960 --

\*The income gap between what the farmer earns and what the city wage earner earns has been narrowed by 18 percent.

\*Net farm income climbed from \$11.7 billion to \$14.2 billion by the end of 1965 -- up 20 percent -- and this year will climb another billion dollars. Perhaps they'll climb even higher; reports on first-half 1966 indicate that this year's total may be \$1.5 billion greater than in 1965.

\*Net realized income per farm, which averaged \$2,956 in 1960, rose to \$4,200 by the end of last year, and was expected to reach \$4,600 in 1966 -- an increase of 55 percent in six years. But if advances made during the first half of 1966 continue at the same rate in July through December, this year's figure will climb to \$4,800 net per farm.

(more)

Let's take it state by state for this farm region.

For Iowa, total net farm income jumped from \$708 million in 1960 to \$940 million in 1965, and net income per farm rose from \$3,850 to \$5,665. In Indiana, total net farm income went from \$337 million to \$496 million, and net income per farm from \$2,518 to \$4,171.

Total net farm income in Wisconsin climbed from \$394 million to \$466 million and net income per farm from \$2,858 to \$3,762. In North Dakota net farm income soared from \$145 million to \$299 million and net income per farm skyrocketed from \$2,582 to \$6,108. And in Nebraska total net farm income rose from \$341 million to \$482 million while net income per farm was increasing from \$3,664 to \$5,880.

These are official Government figures. They represent, in the case of net income per farm, statistical averages, and we know there are many individual exceptions.

Nevertheless, these figures represent striking progress in the past five and a half years in our mutual effort to increase farm income.

No less striking is the reduction in grain surpluses, surpluses which, during the '50's, provided a target for critics of farm programs to lambaste the farmer.

And there is a real success story which, unfortunately, has not reached enough urban residents. The surpluses of grain which once pushed through the ceiling -- and sent prices plummeting through the floor -- have been largely eliminated.

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Comparing Commodity Credit Corporation's uncommitted stocks of major grains in early July, 1961, with early July, 1966, we find wheat supplies, which stood at 1.2 billion bushels in 1961, now total 252 million bushels. Corn, which also stood at 1.2 billion bushels, is now down to 91 million bushels. And supplies of grain sorghums, which stood at 689 million bushels, are now down to 356 million bushels.

Those are the savings over five years. Short term reductions have been equally great. Just during fiscal year 1966, for instance, the CCC stocks of wheat dropped 355 million bushels ... corn by 386 million bushels, and grain sorghums by 203 million bushels.

Storage and handling costs for all farm commodities, which ran around \$1.1 million per day during fiscal year 1961, will be only about 56 percent of that figure during fiscal 1966 -- a savings of nearly half a million dollars a day ... and \$189 million a year.

The improvements in farm income we talked about earlier are attributable in no small part to this reduction in commodity supplies. Supplies of grain five years ago were so large that they not only represented a heavy cost to the Government, but also caused a severe downward pressure on markets. The feed grain surplus both held prices down and threatened the stability of the entire feed-livestock economy.

Successful grain programs have had the effect of reducing both wheat and feed grain carryovers to lower, yet still adequate, levels. These programs brought stability to the feed grain market and permitted the revival in livestock prices that we have seen in these past two years. We're now seeing higher prices in the grains, as supplies come into near-balance.

(more)

To get this done, the Commodity Credit Corporation had to sell grain; there was no other way to get it out of Government hands and into use. But the result is that -- for the first time in many, many years -- the prices of grain are being determined by the interplay of market forces.

We do not intend nor expect that this better-balance in grain supplies will keep us from meeting our overseas commitments and opportunities. And certainly, domestic supplies will continue to be entirely adequate.

The chief case in point is wheat -- since we have been exporting well over half of our entire wheat crop. (Exports of feed grains, while important and growing, are by no means as important a factor relative to the total crop.)

We are now at the end of a marketing year for wheat, and the July 1 carryover -- the amount in both Government and private hands -- is about 550 million bushels. This is a lower amount than we have had for a number of years but still more than an entire year's consumption for food in this country. With the smaller 1966 crop now expected, we can look for a somewhat smaller carryover a year from now -- but by no means as low as the 250 million bushels that some people are talking.

In May, President Johnson announced a 15 percent increase in the wheat acreage allotment for next year's crops. As things stand now, the acreage allotment that farmers will begin planting this September is 59 million acres -- up eight million acres from this year. With normal weather this will give us a crop of over 1.5 billion bushels -- the largest crop ever harvested.

(more)

We will continue to watch the wheat situation -- both here and abroad -- as well as the outlook for other crops. We have the ability to make any needed shifts. We continue to have an immense productive potential -- far above what we can make wise use of at present.

This is a fact to keep always in mind when critics of farm programs call for a return to the so-called "free market," or for taking all the wraps off production.

We have about 60 million acres on standby right now as a result of government programs. (By the end of this year, after the increase in wheat allotments, we will have about 52 million in reserve.) We have another 100 million acres which qualify as "cropland," but are not harvested in any given year for one reason or another.

If we took all the restraints off and brought this land into production -- fence row to fence row -- we'd be producing more food than we could consume here at home, more than we could sell overseas, more than we could even give away without completely disrupting the agricultural economics of other nations. And this situation will be true well into the 1980's, according to all the predictions of the experts.

In other words, the call for unlimited production, for "getting the government out of agriculture" which we hear so often, just doesn't ring true, however good it may be as a political slogan. Because if we did this, the farmers of this Nation would pay the price -- pay for it with depressed commodity prices, increasing foreclosures, and a stagnated agriculture with overwhelming surpluses.

(more)



For if the truth be known, there are no quick, easy, or permanent solutions to our problems -- no panaceas, no instant, fresh-frozen, pre-packaged plans for success. This is not to say that we are not making progress, or that we won't continue to make progress in the future. I feel certain we shall, given the will to do so on your part, and given the same close working partnership that you and I have enjoyed in the past. But we will have to work at it constantly. Ours is a world of change, and nowhere is this more true than in agriculture. We must continue to adapt to changes shaping them to serve our nation, our farmers, and humanity everywhere.

One other thought. I hope no one here is satisfied completely with the way things are. I'm certainly not. The President of the United States is not.

We know that farm prices these last six years have not gone up at the same pace as the prices of other products and services, and we know that farm production cost rates have gone up at a swifter pace.

In the past five years, prices paid by farmers have risen 8 percent, an increase somewhat higher than the consumer price index. This figure is double the 4 percent rise in the index of prices received by farmers, but thanks to greater production efficiency ... and government payments ... the adjusted parity ratio is still higher today than it was in 1960 and net income, as we have seen, is considerably greater. In the last analysis it is that net income figure -- what you have left at the end of the year -- that really counts.

(more)



The President knows, and I know, that despite the farm income gains made since 1960, farmers still lag behind non-farmers. The gap has been narrowed by 18 percent, but, on a per capita basis, farmers still earn only two-thirds as much as non-farm people.

If anything, these dark spots in an otherwise optimistic farm picture only spur us to redouble our efforts to reach that goal of full parity of income for the farmer before this decade is history.

We know it can be done ... because we've seen how much has been done already.

For despite the dark spots, today's farmers are making steady progress ... and most are making money.

I said earlier that agricultural prospects for both the Nation and for the State of Wisconsin are much brighter than for a long, long time. I noted that net farm income in Wisconsin had jumped from \$394 million in 1960 to \$466 million last year, and net income per farm had risen from \$2,858 to \$3,762 -- and both measurements are headed still further upward in 1966. Net farm income is forecast at \$530 million this year, and net income per farm at \$4,380.

Manufacturing milk prices in the market are 16 percent higher now than they were a year ago. Price supports on factory milk have been increased by 76 cents -- close to 25 percent -- in the past four months. We have also taken steps to raise the price of fluid milk sold in the 73 Federal milk order areas by an equivalent amount at least. Nothing I have done as Secretary of Agriculture has given me more personal satisfaction than to announce these increases.

(more)

USDA 2280-66

These well-deserved rises in dairy farmer income have been a long time coming ... and I'll tell you why. But now they are here, and I hope each of you benefits from them.

I recall very vividly that I increased dairy price supports, to boost income, when I first became Secretary in 1961. I have painful memories of the criticism I received when butter surpluses climbed to 600 million pounds the following year. At that point I was forced, under law, to drop price supports to the minimum level. After that, dairy income sagged and has not come back to the level I had hoped it would reach. For five years we tried to work out satisfactory dairy programs that would lift producers' income to a parity level ... but we were unable to get the necessary support from the dairy groups to move legislation through the Congress. But now -- with a \$4 floor for manufacturing milk and with equivalent fluid milk increases -- things have changed.

With 90 percent of parity price supports, 1966 promises to be a much improved income year for the Wisconsin dairy farmer.

Now I'd like to conclude this message with some brief reference to the over-all progress being made by our Nation.

In the past year and a half, for instance, we have seen the enactment of a wide range of measures designed to build the Great Society and destined to affect every walk of American life.

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

(more)

USDA 2280-66

For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For city dwellers -- the Housing and Urban Development Act, the Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

For rural dwellers -- the Food and Agriculture Act of 1965, and a host of new programs and services to strengthen and broaden the economic base of rural America and stop the exodus of people from countryside to crowded cities.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- the historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- the Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

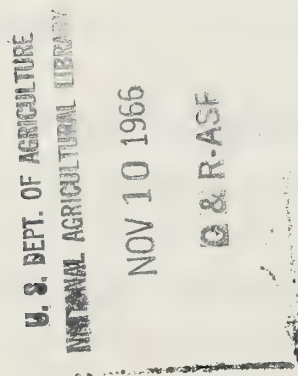
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While these far-reaching measures are aimed at specific needs and inequities, they are not by any means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

America has come a long way in five and a half years. Progress, real progress, has been made on every front ... including agriculture. If I have convinced you of this, if I have reassured you that there is far more reason to be encouraged than discouraged, then I consider part of my mission accomplished.

And now I hope to accomplish the other part of that mission by opening this session to questions from the floor. Who'll be first?

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USDA 2280-66



It is a privilege to be here in Bismarck as the guest of your  
"Committee for a Strong Agriculture."

There's nothing I enjoy more than getting out and talking with people like you. I used to do it often when I was Governor of Minnesota -- and I wish I could do more of it in my present job.

Unfortunately, the hectic pace in Washington when the Congress is in session keeps me from making as many farm trips as I would like.

I spent a good part of the morning visiting a farm near Minot. Then, we got together with about several hundred farmers, mostly wheat and other grain producers, for what they called an informal "coffee with the Secretary."

This is wonderful country. The fields are broad, the wind is fresh, and the sun is strong. It is country where agriculture thrives when the weather is good and the markets are right. But it is also country that can suffer heavily when drought comes or when markets are bad. This is country that knows the meaning of conservation and of watersheds and what it takes to keep your fields productive. You know the struggles you have had, or your fathers before you had, to stay on the land.

And you know the importance of sound farm programs to yourselves and all the people of this great State and this great Nation.

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Report and Review Session statement by Secretary of Agriculture Orville L. Freeman at Bismarck, North Dakota, Saturday, July 23, 1966, at 1:30 p.m.(CST).

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I wanted to meet with you personally, face to face, to talk to you directly ... and to ask you to talk to me just as directly.

I was happy to accept an invitation to meet with you because I have been concerned about some of the mail I have received ... some newspaper articles I have read ... some comments from farmers that I have visited with. I have heard expressions of concern, anxiety, even apprehension about the future of American farming.

This is why I have come to talk with you. I want to do my best to clear up any confusion or misunderstanding that exists about actions taken or statements made during a very tense situation in our national economy. In exchange, I am hoping to receive your guidance, advice, and understanding.

First, however, I want to launch this report to you farm folk on a note of encouragement that truly describes the optimism I feel after five and one-half years as Secretary of Agriculture:

Prospects for American agriculture are much brighter than they have been at any time during this half a decade -- and, it goes without saying, much brighter than for many years prior to that. We still have far to go ... but ... we are on the way!

Communication between the Secretary of Agriculture and the rural Americans he serves is a two-way street. Today I shall outline the state of agriculture as I see it, and then I shall answer your questions, as fully and as honestly as I can, for as long as you want me to reply to them.

(more)

Without that two-way communication, our chances of accomplishing our mutual goals are mighty slim. I say this with good reason. We both know that farm families today represent only about 6 percent of the population. We know that the days of the so-called "farm bloc" vanished long ago, and that our legislative power -- because of a decline in rural population and the ensuing reapportionment -- has been eroded.

With these facts in mind, then, it's become increasingly apparent that if we're to accomplish anything, we need the closest cooperation possible ... and we need to speak with a united voice.

I want to make it clear at the start that I'm not asking for total agreement with what I have to say today. Nor am I saying in any way that dissent is a bad thing. Any Secretary of Agriculture who expects complete consensus would be a naive Secretary of Agriculture, indeed, for if one characteristic distinguishes the American farmer it is his free thinking individualism.

Nevertheless, we all know that there is more strength in unity than in diversion, and the fact that we have achieved a heartening degree of unity in recent years has paved the way for truly significant progress in agriculture. I believe that from that progress we are entitled to take encouragement. Certainly there is no reason to despair; rather we should resolve to do even better -- confident that, from what has been done, we can and will do even better.

(more)



Today I'm going to ask you to take a hard look at what we have accomplished, to ask yourself if we have made progress, to determine if the voluntary programs we have worked out together -- such as the feed grain program -- have been good or bad ... and to decide whether the alternatives offered by others would be to your advantage or disadvantage. While you're doing this, I hope you'll be thinking of questions to ask me at the close of this session.

So let's review what has happened since 1960.

I say we've made great progress together. Perhaps there have been times when we've had to measure that progress in inches, but the record will show that we've moved ahead steadily for the past five and a half years and that agriculture is far healthier today than it was at the beginning of this decade.

We've made that progress, I contend, because we have spoken effectively in the halls of Congress, because we've had the 100 percent backing of two great Presidents, and because we've been able to win the backing of forward-looking urban as well as rural legislators.

It hasn't been easy. It won't be any easier in the future. We all know that with fewer and fewer voters in rural America, and more and more voters in urban America, we cannot move forward in agriculture without the understanding and the support of city legislators.

That is why it is so important for agriculture to speak with one voice, for if the farmers speak in tongues the urban Congressmen and Senators will become confused and turn away from Babel.

(more)



So far in this decade of the 1960's we have spoken with a united enough voice to win their support and to enact into law no less than five major agricultural bills--one in each congressional session--and all aimed, and all succeeding, in reducing grain surpluses and raising farm income.

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Here in North Dakota, gross farm income increased 40 percent from 1960 to 1965, and gross income per farm climbed 60 percent in the same period.

Realized net farm income rose 106 percent -- from \$145 million to \$299 million. Realized net income per farm rose 136 percent -- from \$2,582 in 1960 to \$6,108 in 1965. Projections for the current year indicate that net farm income will be \$315 million and net income per farm \$6,560.

These gains did not just happen. Efficient farming and the Nation's highest percentage of participation in Federal wheat and feed grain programs played prominent parts in the favorable income growth.

(more)

USDA 2282-66

Burdensome wheat surpluses that stood at 1.4 billion bushels when I arrived in Washington in 1961 have been whittled down through operation of voluntary programs and aggressive export efforts. Presently the supply on hand is a reserve against emergency.

The simple fact is that we have been using more wheat than we have been producing. We have moved government wheat stocks into use and have not upset markets or farmers' prices. A major factor in our surplus reduction has been our willingness to help those in need abroad.

Wheat farmers must view their foreign markets with realism. We have seen a welcome increase in our export sales of wheat for dollars. Even so, for every bushel sold for dollars this year, two were moved under government programs such as foreign currency sales, donation, barter, and credit. And substantial export payments are made on all sales -- commercial and P.L. 480 -- in order to price our wheat competitively in world markets. Clearly, government expenditures continue to be an important factor in our wheat export movement.

Looking ahead to the 1967 crop, we have increased the allotment to permit the production of more wheat within the program by those who choose to grow it. We have increased the number of domestic certificates for farmers, with the result that you will be guaranteed parity on about 520 million bushels of your 1967 output. This means your guaranteed income should go up next year.

Now I'd like to conclude this message with some brief reference to the over-all progress being made by our Nation.

(more)

In the past year and a half, for instance, we have seen the enactment of a wide range of measures designed to build the Great Society and destined to affect every walk of American life.

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For city dwellers -- the Housing and Urban Development Act, The Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

For rural dwellers -- the Food and Agriculture Act of 1965, and a host of new programs and services to strengthen and broaden the economic base of rural America and stop the exodus of people from countryside to crowded cities.

For immigrants -- the Immigration and Nationality Act.

(more)

For everyone interested in equal legal rights for citizens -- The historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- The Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

While these far-reaching measures are aimed at specific needs and inequities, they are not by any means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

America has come a long way in five and a half years. Progress, real progress, has been made on every front ... including agriculture. If I have convinced you of this, if I have reassured you that there is far more reason to be encouraged than discouraged, then I consider part of my mission accomplished.

And now I hope to accomplish the other part of that mission by opening this session to questions from the floor. Who'll be first?

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USDA 2282-66



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U. S. Department of Agriculture  
Office of the Secretary

It is a great privilege for me to meet so many farm people here in Nebraska, where the Midwest and the West seem to merge.

I am grateful to the Chamber of Commerce and the city of Columbus for sponsoring this meeting.

As you know, I am out here on what we call a Report and Review trip. The purpose is to talk very frankly and openly with people from farming communities about the facts of our agricultural situation. The most important part of these meetings is a discussion and question-answer period during which I encourage you to ask me any question you have on your minds. I will answer you honestly and fully to the best of my ability.

Yesterday and today we've been in Indiana, Wisconsin, and North Dakota. Everywhere I have found an understanding of the importance of cooperation between agriculture and business, and agriculture and government. I don't think I need to tell you that I share your desire to strengthen the economy of the country and that I share, too, your vital interest in the welfare of our American family farms.

Here in this great feed and livestock country -- with Omaha, one of the world's greatest livestock markets, only a short drive away -- it seems unbelievable that the whole invaluable area from the Gulf of Mexico to Canada and from the Mississippi to the Rockies was purchased from France for about 4 cents an acre.

The people -- our parents, grandparents, and great-grandparents -- made this mid-country of America what it is today. We and our children will make it what it will be tomorrow.

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Report and Review Session statement by Secretary of Agriculture Orville L. Freeman at Columbus, Nebraska, Saturday, July 23, 1966, 8:00 p.m.(CST).

I wanted to meet with you personally, face to face, to talk to you directly ... and to ask you to talk to me just as directly.

I was happy to accept an invitation to meet with you because I have been concerned about some of the mail I have received ... some newspaper articles I have read ... some comments from farmers that I have visited with. I have heard expressions of concern, anxiety, even apprehension about the future of American farming.

This is why I have come to talk with you. I want to do my best to clear up any confusion or misunderstanding that exists about actions taken or statements made during a very tense situation in our national economy. In exchange, I am hoping to receive your guidance, advice, and understanding.

First, however, I want to launch this report to you farm folk on a note of encouragement that truly describes the optimism I feel after five and one-half years as Secretary of Agriculture:

Prospects for American agriculture are much brighter than they have been at any time during this half a decade -- and, it goes without saying, much brighter than for many years prior to that. We still have far to go ... but ... we are on the way!

Communication between the Secretary of Agriculture and the rural Americans he serves is a two-way street. Today I shall outline the state of agriculture as I see it, and then I shall answer your questions, as fully and as honestly as I can, for as long as you want me to reply to them.

(more)

Without that two-way communication, our chances of accomplishing our mutual goals are mighty slim. I say this with good reason. We both know that farm families today represent only about 6 percent of the population. We know that the days of the so-called "farm bloc" vanished long ago, and that our legislative power -- because of a decline in rural population and the ensuing reapportionment -- has been eroded.

With these facts in mind, then, it's become increasingly apparent that if we're to accomplish anything, we need the closest cooperation possible ... and we need to speak with a united voice.

I want to make it clear at the start that I'm not asking for total agreement with what I have to say today. Nor am I saying in any way that dissent is a bad thing. Any Secretary of Agriculture who expects complete consensus would be a naive Secretary of Agriculture, indeed, for if one characteristic distinguishes the American farmer it is his free thinking individualism.

Nevertheless, we all know that there is more strength in unity than in diversion, and the fact that we have achieved a heartening degree of unity in recent years has paved the way for truly significant progress in agriculture. I believe that from that progress we are entitled to take encouragement. Certainly there is no reason to despair; rather we should resolve to do even better -- confident that, from what has been done, we can and will do even better.

(more)



Today I'm going to ask you to take a hard look at what we have accomplished, to ask yourself if we have made progress, to determine if the voluntary programs we have worked out together -- such as the feed grain program -- have been good or bad ... and to decide whether the alternatives offered by others would be to your advantage or disadvantage. While you're doing this, I hope you'll be thinking of questions to ask me at the close of this session.

So let's review what has happened since 1960.

I say we've made great progress together. Perhaps there have been times when we've had to measure that progress in inches, but the record will show that we've moved ahead steadily for the past five and a half years and that agriculture is far healthier today than it was at the beginning of this decade.

We've made that progress, I contend, because we have spoken effectively in the halls of Congress, because we've had the 100 percent backing of two great Presidents, and because we've been able to win the backing of forward-looking urban as well as rural legislators.

It hasn't been easy. It won't be any easier in the future. We all know that with fewer and fewer voters in rural America, and more and more voters in urban America, we cannot move forward in agriculture without the understanding and the support of city legislators.

That is why it is so important for agriculture to speak with one voice, for if the farmers speak in tongues the urban Congressmen and Senators will become confused and turn away from Babel.

(more)



So far in this decade of the 1960's we have spoken with a united enough voice to win their support and to enact into law no less than five major agricultural bills--one in each congressional session--and all aimed, and all succeeding, in reducing grain surpluses and raising farm income.

I could outline the progress achieved with the passage of each of these acts, starting with the first emergency Feed Grain bill in the early months of the Kennedy Administration, but today I'll confine my remarks to the biggest and the best, the Food and Agriculture Act of 1965, an Act which gives us the final flexibility we needed to move acres in and out of production with economy and efficiency ... and to produce for the marketplace, instead of for the storage bin.

We made use of this adjustability when we increased wheat acreage allotments by 15 percent, and rice acreage allotments by 10 percent to meet the demands of war and drought in Asia, and to assure continued adequate domestic supplies. The flexibility of the new Act was demonstrated in February of this year when we acted to allow soybean production on feed grain acreage, and to increase the support price of soybeans and milk.

And there are many more examples. But I'm sure you're interested primarily not in examples, but in results -- and the results of the legislation passed since 1960 have been in one direction only -- UP.

I did not come here to tell you how well off you are. But I did come here to tell you that we can take encouragement from how well you are doing.

Not all farmers are well off. They know that. I know that.

(more)

Even in this period of the longest uninterrupted prosperity in our history, there are some whom prosperity has not reached. And some of these are farmers.

For them, prosperity is just a word ... and statistics cold consolation.

Our job now is to make prosperity more than a word for these people -- to move them onto the plus side of a ledger which shows, beyond a doubt, that farmers are making dramatic progress in the 1960's.

Agriculture has made so much progress that today I can confidently predict that our long-sought goal of full parity of income for the adequate size family farming operation can be reached by the end of this decade.

There is a proviso, of course. And that proviso is this:

We can't lose faith in one another.

We can't let the mendacious, the malicious, the politically avaricious and voracious drive the farmer and his government apart.

The remarkable progress we have made since 1960 was made because the farmer and his government worked together to put the right kind of legislation on the books, lived up to our respective responsibilities under that legislation ... and kept faith with one another.

I needn't tell you that the campaign to separate the farmers and their Government has already begun. You have seen it out here.

(more)

But really, isn't it ironic that this Administration, with its unbroken record of reducing surpluses, increasing farm income, and renovating and revitalizing rural America, should now be called insensitive to the farmer by the very people who told the farmer he never had it so good in those grim years between 1952 and 1960?

Well, let's do a little comparing, should we? Let's see what's been happening here in the farm belt since 1960.

When we took office, two primary agricultural goals were set: Increase farm income -- and reduce grain surpluses. How well have we done?

Let's look at the farm income picture. Since 1960 --

\*The income gap between what the farmer earns and what the city wage earner earns has been narrowed by 18 percent.

\*Net farm income climbed from \$11.7 billion to \$14.2 billion by the end of 1965 -- up 20 percent -- and this year will climb another billion dollars. Perhaps they'll climb even higher; reports on first-half 1966 indicate that this year's total may be \$1.5 billion greater than in 1965.

\*Net realized income per farm, which averaged \$2,956 in 1960, rose to \$4,200 by the end of last year, and was expected to reach \$4,600 in 1966 -- an increase of 55 percent in six years. But if advances made during the first half of 1966 continue at the same rate in July through December, this year's figure will climb to \$4,800 net per farm.

(more)

Let's take it state by state for this farm region.

For Iowa, total net farm income jumped from \$708 million in 1960 to \$940 million in 1965, and net income per farm rose from \$3,850 to \$5,665. In Indiana, total net farm income went from \$337 million to \$496 million, and net income per farm from \$2,518 to \$4,171.

Total net farm income in Wisconsin climbed from \$394 million to \$466 million and net income per farm from \$2,858 to \$3,762. In North Dakota net farm income soared from \$145 million to \$299 million and net income per farm skyrocketed from \$2,582 to \$6,108. And in Nebraska total net farm income rose from \$341 million to \$482 million while net income per farm was increasing from \$3,664 to \$5,880.

These are official Government figures. They represent, in the case of net income per farm, statistical averages, and we know there are many individual exceptions.

Nevertheless, these figures represent striking progress in the past five and a half years in our mutual effort to increase farm income.

No less striking is the reduction in grain surpluses, surpluses which, during the '50's, provided a target for critics of farm programs to lambaste the farmer.

And there is a real success story which, unfortunately, has not reached enough urban residents. The surpluses of grain which once pushed through the ceiling -- and sent prices plummeting through the floor -- have been largely eliminated.

(more)



Comparing Commodity Credit Corporation's uncommitted stocks of major grains in early July, 1961, with early July, 1966, we find wheat supplies, which stood at 1.2 billion bushels in 1961, now total 252 million bushels. Corn, which also stood at 1.2 billion bushels, is now down to 91 million bushels. And supplies of grain sorghums, which stood at 689 million bushels, are now down to 356 million bushels.

Those are the savings over five years. Short term reductions have been equally great. Just during fiscal year 1966, for instance, the CCC stocks of wheat dropped 355 million bushels ... corn by 386 million bushels, and grain sorghums by 203 million bushels.

Storage and handling costs for all farm commodities, which ran around \$1.1 million per day during fiscal year 1961, will be only about 56 percent of that figure during fiscal 1966 -- a savings of nearly half a million dollars a day ... and \$189 million a year.

The improvements in farm income we talked about earlier are attributable in no small part to this reduction in commodity supplies. Supplies of grain five years ago were so large that they not only represented a heavy cost to the Government, but also caused a severe downward pressure on markets. The feed grain surplus both held prices down and threatened the stability of the entire feed-livestock economy.

Successful grain programs have had the effect of reducing both wheat and feed grain carryovers to lower, yet still adequate, levels. These programs brought stability to the feed grain market and permitted the revival in livestock prices that we have seen in these past two years. We're now seeing higher prices in the grains, as supplies come into near-balance.

(more)

To get this done, the Commodity Credit Corporation had to sell grain; there was no other way to get it out of Government hands and into use. But the result is that -- for the first time in many, many years -- the prices of grain are being determined by the interplay of market forces.

We do not intend nor expect that this better-balance in grain supplies will keep us from meeting our overseas commitments and opportunities. And certainly, domestic supplies will continue to be entirely adequate.

The chief case in point is wheat -- since we have been exporting well over half of our entire wheat crop. (Exports of feed grains, while important and growing, are by no means as important a factor relative to the total crop.)

We are now at the end of a marketing year for wheat, and the July 1 carryover -- the amount in both Government and private hands -- is about 550 million bushels. This is a lower amount than we have had for a number of years but still more than an entire year's consumption for food in this country. With the smaller 1966 crop now expected, we can look for a somewhat smaller carryover a year from now -- but by no means as low as the 250 million bushels that some people are talking.

In May, President Johnson announced a 15 percent increase in the wheat acreage allotment for next year's crops. As things stand now, the acreage allotment that farmers will begin planting this September is 59 million acres -- up eight million acres from this year. With normal weather this will give us a crop of over 1.5 billion bushels -- the largest crop ever harvested.

(more)

We will continue to watch the wheat situation -- both here and abroad -- as well as the outlook for other crops. We have the ability to make any needed shifts. We continue to have an immense productive potential -- far above what we can make wise use of at present.

This is a fact to keep always in mind when critics of farm programs call for a return to the so-called "free market," or for taking all the wraps off production.

We have about 60 million acres on standby right now as a result of government programs. (By the end of this year, after the increase in wheat allotments, we will have about 52 million in reserve.) We have another 100 million acres which qualify as "cropland," but are not harvested in any given year for one reason or another.

If we took all the restraints off and brought this land into production -- fence row to fence row -- we'd be producing more food than we could consume here at home, more than we could sell overseas, more than we could even give away without completely disrupting the agricultural economics of other nations. And this situation will be true well into the 1980's, according to all the predictions of the experts.

In other words, the call for unlimited production, for "getting the government out of agriculture" which we hear so often, just doesn't ring true, however good it may be as a political slogan. Because if we did this, the farmers of this Nation would pay the price -- pay for it with depressed commodity prices, increasing foreclosures, and a stagnated agriculture with overwhelming surpluses.

(more)



For if the truth be known, there are no quick, easy, or permanent solutions to our problems -- no panaceas, no instant, fresh-frozen, pre-packaged plans for success. This is not to say that we are not making progress, or that we won't continue to make progress in the future. I feel certain we shall, given the will to do so on your part, and given the same close working partnership that you and I have enjoyed in the past. But we will have to work at it constantly. Ours is a world of change, and nowhere is this more true than in agriculture. We must continue to adapt to changes shaping them to serve our nation, our farmers, and humanity everywhere.

One other thought. I hope no one here is satisfied completely with the way things are. I'm certainly not. The President of the United States is not.

We know that farm prices these last six years have not gone up at the same pace as the prices of other products and services, and we know that farm production cost rates have gone up at a swifter pace.

In the past five years, prices paid by farmers have risen 8 percent, an increase somewhat higher than the consumer price index. This figure is double the 4 percent rise in the index of prices received by farmers, but thanks to greater production efficiency ... and government payments ... the adjusted parity ratio is still higher today than it was in 1960 and net income, as we have seen, is considerably greater. In the last analysis it is that net income figure -- what you have left at the end of the year -- that really counts.

(more)



The President knows, and I know, that despite the farm income gains made since 1960, farmers still lag behind non-farmers. The gap has been narrowed by 18 percent, but, on a per capita basis, farmers still earn only two-thirds as much as non-farm people.

If anything, these dark spots in an otherwise optimistic farm picture only spur us to redouble our efforts to reach that goal of full parity of income for the farmer before this decade is history.

We know it can be done ... because we've seen how much has been done already.

For despite the dark spots, today's farmers are making steady progress ... and most are making money.

Here in Nebraska, gross farm income increased 26 percent between 1960 and 1965, and gross income per farm climbed 42 percent in the same period.

Realized total net income for the State rose 26 percent, climbing from \$341 million to \$482 million, and realized net income per farm jumped 60 percent, from \$3,664 in 1960 to \$5,880 in 1965. Projections for this year indicate net farm income at \$510 million and net income per farm at \$6,370.

Nebraska farmers worked hard for these income gains -- which were sorely needed and long overdue. In general, they came about through a speedup of farm production efficiency, through farmer participation in Federal farm programs, and through the enlightened encouragement and help of the Federal government.

A good example of all three is feed grains. Here in the Midwest, the feed grain program has not only helped to strengthen the grain market, it is bringing a great deal of strength to the livestock industry. And this, of course, is one of the main reasons for that program -- to support and stabilize the livestock economy.

Over the years, it has been proved that the price of corn and the supply of corn are the most important factors affecting the supply of livestock and, therefore, the price of livestock. Too often, cheap feed grains bring a buildup in livestock numbers that the market just can't handle at a decent price.

The low prices that cattle and hog producers experienced beginning in 1963 were in no small part the product of the cheap feed grain policy of the late 1950's.

And the remarkable recovery that livestock prices made in 1964 and 1965 was in no small part the product of farmer participation in the feed grain program. Without the growing stability in feed grains that began in 1961, it is hard to imagine that livestock prices could have come back the way they did.

Today our corn supplies are in balance, as a result of the program and of careful pricing to take advantage of both export and domestic demand. Corn prices are strong. Livestock prices are relatively stable. And our long-range livestock picture is extremely promising.

(more)

USDA 2281-66

This assumes that we continue to make the feed grain program work -- so that we don't get ourselves into another cheap corn disaster such as we experienced in the 1950's. You may remember that in 1960 farmers received an average corn price for the whole year which was below a dollar a bushel. In June of this year, the average price received by farmers was \$1.19 and the market has strengthened somewhat since then. In addition, feed grain program cooperators received a 20-cent price support payment on the 1965 crop now being marketed.

Another farmer success story is soybeans. Farmers are not only growing half again as many soybeans as five years ago -- they are growing these beans under a program that assures them a fair share in the growth of this dynamic market.

A few years ago, it was not uncommon for the price of soybeans to rise after the farmer's crop had gone to market -- so that the grower didn't get the benefit. But in the last five years, we have followed a policy of setting the support price at a level to encourage production and to assure farmers a share in improved prices.

The result is that farm income from soybeans has almost doubled since 1960. The average farm price rose during that time from \$2.13 to \$2.49, and growers this year will have the benefit of a price support level averaging \$2.50. Also, producers who planted soybeans on feed grain acreage can continue to earn price support payments.

(more)

USDA 2281-66

The soybean story is prime proof that the farm programs can be used to encourage production when it is needed -- while protecting the grower who makes our abundance possible. This is one of the purposes of the Food and Agriculture Act of 1965 -- and I believe we are already seeing the value of this flexibility.

Now I'd like to conclude this message with some brief reference to the over-all progress being made by our Nation.

In the past year and a half, for instance, we have seen the enactment of a wide range of measures designed to build the Great Society and destined to affect every walk of American life.

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

For servicemen -- the Veterans Readjustment Benefits Act.

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For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For city dwellers -- the Housing and Urban Development Act, The Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

(more)



For rural dwellers -- the Food and Agriculture Act of 1965, and a host of new programs and services to strengthen and broaden the economic base of rural America and stop the exodus of people from countryside to crowded cities.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- The historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- The Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

While these far-reaching measures are aimed at specific needs and inequities, they are not by any means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

America has come a long way in five and a half years. Progress, real progress, has been made on every front ... including agriculture. If I have convinced you of this, if I have reassured you that there is far more reason to be encouraged than discouraged, then I consider part of my mission accomplished.

And now I hope to accomplish the other part of that mission by opening this session to questions from the floor. Who'll be first?

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Washington, July 26, 1966

Statement by  
Secretary of Agriculture Orville L. Freeman

Estimated farm income figures for the first six months of 1966 are now complete. They indicate that farm income for the calendar year will be even higher than predicted at the end of first-quarter 1966.

Economic Research Service now estimates total net farm income for 1966 at \$15.7 billion, up \$1.5 billion from 1965 and up \$4 billion over 1960. This new figure is \$500 million higher than the estimate at the end of the first-quarter 1966.

Realized net income per farm in 1966 is now estimated at \$4,785, compared with \$4,210 in 1965 and \$2,956 in 1960. This estimated 1966 figure represents a 60 percent increase in net income per farm since 1960.

Administration actions taken in recent months have contributed strongly to the higher net income figures. For instance:

On March 31, support prices for manufacturing milk were raised 26 cents a hundredweight, then raised another 50 cents on June 29, to a present level of \$4.00 a hundred.

Thus, within a single marketing year the support price for factory milk has been increased by 76 cents -- the largest increase in history. In percentage terms the increase in supports was from 75 percent of parity to 89-1/2 percent of parity. This is within one half of one percent of the maximum level permitted by law, 90 percent of parity, or \$4.02 per cwt.

Producer income from soybeans has doubled since 1960. Two recent Administration actions have contributed to an already-favorable soybean position: (1) Price support levels have been raised from \$2.25 to \$2.50; (2) soybean production is now allowed on acreage formerly planted to feed grains.

Soybean prices at the farm averaged \$3.04 per bushel this June as compared with \$2.74 in June 1965, and \$1.97 in June 1960.

Rice allotments were increased by 10 percent in February this year.

Earlier decisions to increase slightly 1966 production of wheat were followed last May with a 15 percent increase in wheat allotment acreage for the 1967 crop. This is expected to increase wheat-producer income from \$75 to \$100 million (because of increased marketings) in 1967.

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C & R-ASE



Back in my home state of Minnesota, one of the first "sick" jokes to make the rounds had to do with a motorcyclist who was riding down the road into the teeth of a bitter wind.

To ward off the chill, he stopped, dismounted, reversed his leather jacket, zipped it up the back, and continued his journey. Before long, he hit some loose gravel, his cycle went out of control, and he was thrown into a ditch.

A few minutes later, a state trooper pushed his way through the crowd that had gathered around the inert form.

"How is he?" the trooper asked.

"Darndest thing you ever saw, officer," a man answered. "He seemed o.k. when I got here, but since I turned his head around right he ain't said a doggone word."

I tell this shaggy story not for laughs, as if it still deserved any, but rather to point up the sometimes fatal consequences of misdirected help.

For today I want to talk to you about help...the right kind of help for the hungry nations of the world.

Let me first briefly sketch in the dimensions of the world hunger problem.

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Address by Secretary of Agriculture Orville L. Freeman at Animal Industry Day at Virginia Polytechnic Institute, Blacksburg, Virginia, at 1:15 p.m. EDT, Friday, July 29, 1966.

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By now, it should be no secret to anyone, that mankind is engaged in a grim race against world famine. Population growth is outstripping food production capacity. It's as simple...and as awesome...as that.

The greatest challenge of our age is to meet and defeat the threat of famine, to banish hunger from the earth in our time.

If we fail, ahead lies global catastrophe and another Dark Age.

If we win, our age can be immortalized as the Age of the End of Hunger...and all the succeeding ages of men will bless and revere it.

The crisis is less than two decades away. Unless something is done now, the world will literally run out of food by the mid-1980's.

It took from the beginning of time until the start of the 20th century to put the first billion people on earth. But it took only the last 66 years to add two billion more! And still another billion will be added in the next 15 years. By the turn of the new century, today's world population will have more than doubled.

More awesome is the fact that food production is not keeping pace. Total worldwide food production in 1965 was the same as in 1964. But in 1965 there were 63 million more mouths to feed, enough new people to populate another country the size of France.

(more)

USDA 2370-66

Thirty years ago, Henry Wallace was the United States Secretary of Agriculture. When he made food production plans, he had to worry about our own population increase of less than one million a year. Today, as we make food production plans for next year, my concern is a worldwide population increase of 65 million people. Since I became Secretary of Agriculture over 300 million people have been added to the world's population. That is one and a half times the population of the U.S. today.

Like it or not, we have become One World since Henry Wallace's time and our fate is inextricably linked with the fate of free people everywhere.

What caused the tremendous acceleration in world population? The big explosion was detonated as recently as the 1940's, and the fuse was the sudden availability of pesticides and miracle drugs which made it possible for more infants to survive the hazardous early years, and more adults to live to longer years.

In one year, for instance, the death rate in Ceylon was cut by 40 percent through the simple application of DDT in malaria control.

Immediately after the second World War, the death rate in the developing nations was 30 per thousand. It is now only 20 per thousand.

It really doesn't take much to lower the death rate and increase the life-span in those nations where the average life expectancy has been only 32 to 35 years.

(more)

USDA 2370-66

This is the basic reason why 80 percent of the post-war population explosion has taken place in those countries least able to support it.

The irony should be obvious. Man has learned how to prolong life...but he has not kept pace in his efforts to sustain it.

It is now clearly evident, my friends, that if the population explosion is not muffled and if food production is not increased, all of the combined food production, on all of the acres, of all of today's agriculturally productive nations will not be able to meet the food requirements of the developing nations for more than the next 20 years.

We in this nation -- thanks to the productive genius of the American farmer -- have more than enough food and food potential to survive the crisis...if we are willing to turn our back to the world. We know we cannot do that. We know our moral principles and our humanitarian traditions would not allow us to eat well while millions starved in other countries.

Earlier this month, I stood in Bombay and watched American Peace Corps workers distribute free milk to the mothers of hungry Indian children.

The mothers brought their children to the milk dispensing station at a certain hour. Each got a carefully rationed allotment. Later in the day, some returned to beg for more for their hungry infants.

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Many were turned away. Why? Because that limited supply of milk had to be stretched as far as it could be stretched to reach as many as possible. It tore at my heart. It tore at the heart of those magnificent young Peace Corps workers every day and every night. It would tear at your heart, too.

But behind our humane instincts, lies the practicality of the American people. We know that we cannot buy national security by retreating from a world exploding all around us from the pressures of famine and frustration, deprivation and desperation.

I've said it before. There can be no peace without security. And there can be no security in a world gone mad with hunger.

If we want peace in our world, and in our time, it must be a peace based on economic and political stability around the world, and on the firm hope of mankind that global plenty can one day be achieved.

Can it be done? Yes. But it will require a dramatic new approach and relentless determination.

Consider the magnitude of the challenge.

Two-thirds of the people of the world are hungry, for hunger means more than just an empty stomach. Nutritional hunger, the lack of essential food ingredients, notably protein, can be just as debilitating, and, in time, just as fatal as famine.

In certain of the developing countries, up to half the children die before reaching the age of 6. Thirty-five percent of all children in all the developing nations die before reaching this age.

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Of those children surviving beyond the age of six, two-thirds suffer from malnutrition. On the average, the physical growth of these children is reduced by a third, and the mental capacity by as much as a fourth because of malnutrition.

Three hundred times as many children in Latin America die of measles as succumb to it in the United States, for malnutrition leaves a child much more vulnerable to the minor childhood diseases.

In Southeast Asia, 40 percent of the children die by the age of 4 -- a death rate not reached in the United States until age 60.

As food in a given country diminishes, birth rates tend to soar. For to those who cannot aspire to material comforts, children assume a tremendous importance. Moreover, oppressed mankind, some believe, instinctively tries to perpetuate the species.

In North Africa, for instance, a mother must bear 5 children to make certain one will live to the age of 15.

We know now that feeding people well is one way to slow down population growth, for where food is plentiful man can begin to concentrate on the quantity and the quality of those things he wishes to give to his children ... and less on producing enough children so that a few will live to adulthood.

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We know this. But how do we accomplish it? When the number of people begin to exceed the minimal food requirement -- what is the answer?

The historical methods of redressing imbalances between food and people no longer apply. Civilized man cannot tolerate war and famine as measures of population control.

Immigration to new places to break new soil is no longer practical. There simply isn't enough new arable land left in the world.

And it is just not realistic to expect a developing nation to increase its export earnings to buy food before it is producing enough to trade.

This would seem to leave the hungry nations only two options for survival: dependence upon the resources and the generosity of the developed nations -- or increasing their own agricultural production.

The first option is the one relied upon for the past 11 years.

During those years the hungry peoples of the earth turned to us more than to any other beneficent nation. And we responded!

Through our widely-heralded Food for Peace program, we have delivered 150 million tons of food valued at more than \$15 billion, to needy and disaster-struck nations.

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Through this program we have saved millions of people from starvation at the same time we were reducing our grain surpluses to manageable proportions. Another beneficial result has been to stimulate world trade in agricultural commodities.

Food for Peace reached its peak of glory this year, for at the direction of President Johnson it provided drought-struck India with enough food to thwart a predicted famine which would have taken the lives of 21 million people in that beleaguered nation.

This year, alone, we will provide India with one-fourth of our total wheat production. Transporting the 9 million tons of U. S. grain already programmed for arrival in India this year has required 600 ships -- the largest peacetime armada ever assembled.

Truly, Food for Peace was a magnificent program, an unprecedented outpouring of one nation's resources to meet other nations' needs.

But -- and here I return to my initial point about misdirected help -- in a sense Food for Peace was self-defeating.

Some hungry nations grew too dependent. Others too complacent. Too many neglected the very first requisite of true independence -- sound agricultural development -- and, heeding well meant, but in hindsight faulty advice, concentrated on industrial development. This was wrong, and in the context of the growing gap between people and food production, it was more than wrong -- it was dangerous.

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Contemporary economists have now come to this conclusion: The key to bringing needy nations to full economic development is a healthy indigenous agriculture. All the new skyscrapers and all the new manufacturing plants will go for naught in the developing nations unless these symbols of progress have their footings planted solidly in the firm ground of a sound agriculture.

We now know that only the hungry nations can save themselves. They must do it with their own hands and their own land, with their own reliance and their own resources, with their own courage and their own crops, with their own wisdom and their own will.

We now know that there is a limit to our own resources. The barrel of American plenty is not bottomless. We no longer have the huge grain surpluses of a few years back, and henceforth our food aid programs must be carried out with even greater care.

For if there were no other option ... if the United States were required to produce to its maximum ... we could support the food needs of the needy nations only two more decades.

Unless the hungry nations self-help themselves to survival in the intervening years, famine will truly stalk the earth.

But if self-help is the answer, how do we accomplish it?

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The answer can be found in the effective use of the new Food for Freedom proposal now before the Congress combined with the help of other developed nations.

Food for Freedom, the logical successor to Food for Peace, which expires this year, is specifically geared to help the developing nations help themselves.

Under this program, the United States will provide increased technical and capital assistance, along with food, to help those nations which demonstrate a determination to undertake effective programs to increase their own ability to feed their own people.

Our country will fill the gap in their food and fiber needs until that time when they have developed their own agricultural programs to a point of self-reliance where they can produce, or buy, what they need.

The best provisions of Food for Peace have been retained: the emphasis upon building international trade and markets for American farm products along with increased emphasis on combating malnutrition whenever and wherever it saps a nation's vitality and a people's health and vigor.

The fight to defeat malnutrition is just as important as preventing outright starvation for the hard fact is that in the hungry nations the children of today will be the adults of tomorrow -- the farmers the workers, the teachers ... and the leaders. And

we cannot hope for economic and social growth in a nation which must rely on adults who have been crippled, weakened, retarded and embittered by malnutrition in their childhood.

The new emphasis on self-help is the major distinguishing feature of the new Food for Freedom program. But there is another important feature, too.

The decline in our surplus stocks of grain, from 115 million tons in 1961 to 64 million today, calls for a different emphasis. It is no longer possible to have a food aid program based upon surplus commodities, for the surpluses are gone. Instead, we must produce what is needed.

As an integral part of both our foreign assistance policy and our policy for food and agriculture, Food for Freedom could not operate effectively without our farm commodity programs. These new programs, particularly the Food and Agriculture Act of 1965, make it possible now for us to call forth -- not just the quantities of food needed -- but the qualities and kinds of food most in need. It makes it possible for us to have a true Food Budget, producing what is needed in the necessary amounts.

In other words, the surplus requirement which limited Food for Peace aid to those commodities which we had in over-supply will, we expect, be replaced in Food for Freedom by a much more practical, much more flexible, and in a very real sense, more humane and economical, emphasis on shipping exactly what is needed to those in need.

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Those who suggest that, with the disappearance of surpluses, farm commodity programs can now be eliminated and the regulation of production left to the "free market" overlook the fact that effective commercial demand does not always reflect real human need.

The millions of malnourished infants in the hungry nations, have no buying power in the market place.

Our flexible farm programs make it possible for us to encourage production to meet human need as well as commercial demand. This year, for instance, we have taken steps to encourage increased production of wheat, rice, soybeans and milk, while we seek to curtail production of such commodities as cotton and tobacco that are still in oversupply. Thus we accomplish balance by meeting the needs of a true Food Budget.

This, then, is the character of the far-reaching, imaginative, humane and practical Food for Freedom proposal laid before the Congress by President Johnson.

In no way does it signify a hardening of our food assistance policy.

It does signify a determined effort on our part to provide the only kind of assistance which can win the War on Hunger ... and give us a victory which will save more lives than have been lost in all the wars of history ... a victory which can give millions of people in the developing nations the opportunity to realize their urgent aspirations for a higher standard of living under new-found freedom ... a victory which can assure the developed nations continued growth under conditions that make their freedom meaningful and secure.

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And now, in closing, I would like to say a few words about another war ... the war in Vietnam.

I want to impress upon you the importance of our effort to turn back aggression in that troubled land.

I want to tell you that this Administration is determined to continue to meet our commitment, to bring this conflict to a successful conclusion ... and to assure the preservation of the freedom of South Vietnam, and, the preservation of a free and vital Asia.

This Administration is proud of the Americans fighting in Vietnam. We will back them to the hilt. They are skilled, brave and compassionate men whose defense of Vietnam is critical to all peace and freedom loving peoples.

Just as Korea emerged as a prosperous and democratic State after 1961, Vietnam, after the Honolulu Conference, is emerging as a nation on its way to achieving civilian and political rehabilitation.

I also want to remind you that the President has made it very clear that if Hanoi shows any indication to talk peace, he will have his best people, at any place, at any time, ready to respond.

The President sincerely believes that if the United States sees it through in Vietnam, a relatively tranquil period lies ahead for the world. At the same time, he is convinced that if we do not see it through, there can only be more trouble, and more armed conflict.

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And finally, let me leave you with this thought:

Even if a truce is achieved ... even if weapons are laid down ... there still will be no real peace until the world is freed from famine, pestilence and ignorance.

That is why the President has included in his program for the Great Society key measures which do not stop at the water's edge -- measures to promote and improve international health, international education ... and first and foremost, the prerequisite of all progress -- international Food for Freedom.

These are the primary objectives of our foreign policy. These are the goals toward which all our efforts are directed.

God willing, we will reach those goals.

I thank you.

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C. R. ASH



This National Conference is being held at a particularly appropriate time. It is the twentieth anniversary of the National School Lunch Act and we have pending in the Congress some proposals which, if enacted, will greatly strengthen that Act and enable us to take some long strides toward closing the nutrition gap for our children.

I have been speaking frequently of late about the grim facts we face in the race between population and food supply throughout the world. We are running out of time and the need is urgent. Over the next 15 years the world must prepare to feed an additional one billion people. Never before in history have so many been added in such a short period of time. Even more significantly, fully four-fifths of the one billion will be added in the food-short, developing countries.

There is growing awareness of the potential for disaster in this situation and this group, leaders in the fight for good nutrition in this country, is more aware and concerned than most.

In his Food for Freedom recommendations, the President is gearing us for action. It will require a tremendous, multi-phased operation to get the developing countries into a position to more adequately meet their own food needs while staving off famine through effective use of free-world food supplies.

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Address by Secretary of Agriculture Orville L. Freeman before the National School Lunch and Food Distribution Conference at the Statler-Hilton Hotel, Washington, D. C., Tuesday, August 2, 1966, 9:30 a.m., EDT.

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C & R-ASF

Without a huge, sustained drive, there will be hundreds of millions more hungry children around the world. What chance will they have? In the face of famine what chance will there be for political stability and economic growth in the developing countries -- or the entire world?

The President's words in transmitting his Food for Freedom Act find, I know, receptive ears in this audience:

"Beyond simple hunger, there lies the problem of malnutrition.

"We know that nutritional deficiencies are a major contributing cause to a death rate among infants and young children that is thirty times higher in developing countries than in advanced areas.

"Protein and vitamin deficiencies during pre-school years leave indelible scars.

"Millions have died. Millions have been handicapped for life -- physically or mentally.

"Malnutrition saps a child's ability to learn. It weakens a nation's ability to progress. It can -- and must -- be attacked vigorously."

Let me take this occasion to emphasize that in launching this massive, world-wide effort, the President has made it clear there will be no neglect of the home front.

We can and we intend to press forward against poverty on every front with undiminished vigor.

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We can and we intend to provide quality education for every American child and to improve the quality of life for every American.

We can, with your help, close the nutrition gap in this country within the next five years. So far as children are concerned, that is what the pending Child Nutrition Act is designed to accomplish.

The President put it well when he transmitted the Child Nutrition Act to Congress, "No child in an affluent America", he said, "should be without an adequate diet."

This measure is now awaiting action by the House of Representatives. You are familiar with the essentials as approved unanimously by the Senate. The same basic approaches are present in the House measure:

-- The National School Lunch Program will continue to operate just as it has for twenty years;

-- The Special Milk Program will be extended for an additional four years and will continue to operate just as it has;

-- There will be a two-year pilot breakfast program for schools in low-income areas and for schools where the children enrolled travel long distances;

-- There will be a permanent program to provide equipment to initiate or expand food service in low-income area schools;

-- There will be authority to provide administrative funds to State educational agencies to help them do an effective job on the new programs and to help them do a still better job with the special assistance phase of the National School Lunch Program.

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There will be authority to include pre-school children in activities operated as part of the school system.

And -- there will be funds to finance this new push, this new effort. The President will request funds for these programs as soon as the Child Nutrition Act becomes law.

When the Child Nutrition Act and the funds to operate it are available, the challenge then becomes one for you who administer the Act locally. Your 20 year record of accomplishment makes it clear you will meet that challenge.

You are familiar, first-hand, with the unmet need. Nationwide there are nine million children attending schools with no food service. In your own State you know where these schools are and where these children are. You know the schools that have on the rolls a high proportion of needy children. These schools and these children should be reached first. Here the need is greatest, the neglect the longest.

You made a good start last year with the \$2 million special assistance program. As you know it required three years of hard work to get even this small amount of money for an approach that plainly warranted a trial. You had to get the program off the ground in a hurry. Most of the demonstration projects did not get under way until February or March of this year but every State and the District of Columbia had at least one project.

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In those 831 schools there were 325,000 children enrolled. More than 60 percent of them participated on a daily basis. In the eighty-two schools that operated a program for the first time, two-thirds of the children enrolled participated.

That is an excellent record and it should get better as we move into the next school year. These potential special assistance schools are the schools where the nutrition gap is widest and where we can make the most mileage toward closing that gap. With the new authority in the Child Nutrition Act and the funds that will be made available, we can put together a package that meets the President's charge -- "No child in an affluent America should be without an adequate diet."

Improved nutrition for children in schools is a big part of our battle to close the nutrition gap.

The commodity donation and Food Stamp Programs are the tools we use to assure access to good nutrition for our low-income families. Even in these times of high and sustained economic activity -- with take-home pay at an all-time high -- there are still over 4 million people participating in the donation program and more than one million people participating in the Food Stamp Program.

The donation program is in operation in over half the countries and more than 200 cities throughout the country. We have made full use of our authorities to expand the number of food items available and to assure a continuing availability of good, needed and nutritious foods to the donation program. This is a commitment I made when I became Secretary of Agriculture more than five years ago. It has been met.

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In our Food for Freedom proposals, in our farm program adjustments to meet tomorrow's challenges, we are eliminating the word "surplus". This word has long been eliminated from our domestic effort to provide the kinds, varieties and amounts of food that meet the standards of good nutrition.

We know, too, that in some countries where the need is great, local resources are inadequate to administer the donation program. Where that is true, we have worked out with the Office of Economic Opportunity a cooperative arrangement whereby they will help finance the local costs of operating a donation program. By far the largest of these cooperative efforts has been undertaken through Project "Help" in Mississippi which has opened the program's doors to as many as 500,000 low-income people.

This growth -- this increased coverage of the donation program -- has occurred during a period in which the Food Stamp Program was growing, too. We now have over 300 areas in the Food Stamp Program. We requested an increase of 50 percent in funds for the Food Stamp Program for this fiscal year. Although the Congress has not yet concluded action on this request, it is clear that the final appropriation will be substantially above that for fiscal year 1966.

With the passage of the Child Nutrition Act and its funding we will have at hand a solid set of tools for use during the next five years to close the nutrition gap. These tools in large part are in your hands. I urge you to use them with skill and with care.

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I ask that each of you explore further the lessons we have learned from Project "Help" in Mississippi. This project went well beyond just the distribution of food. A pattern was developed for teaching participants the essentials of good nutrition. A number of those participating were taught to teach other families the essentials of good nutrition -- how to use these foods to get the very best nutritional results.

There is a similar emphasis on family nutrition in each of the food stamp areas. A nutrition education committee of local citizens is organized to develop methods and techniques of reaching participating families with information on the effective use of their supplemented food purchasing power.

The National School Lunch Program for twenty years has had nutrition education built into it. This is just one more reason why this program should be made still more widely available, and particularly so to children of low-income families. The food patterns they establish, the things they learn about the kinds of food that will sustain energy and an inquiring mind will be carried for the rest of their lives.

We shall soon have the results of a follow-up survey on food consumption by American families. Then we will know the extent of any improvement in general levels of nutrition since the 1955 survey.

Today we know a great deal about nutrition; we have developed many effective techniques for reaching people with that information --

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workshops, newspapers, magazines, TV and radio, slides and movies, classroom lectures, homemaker's courses. Now we must put knowledge and techniques of communication together to accomplish the necessary outreach.

The job is still only half done if we only put good nutrition within the reach of children and families. In addition, they need to know how to use it and what to do with it. All children and families -- affluent or otherwise -- need to know this. The people in this room today can move us a long step forward toward this important part in closing the nutrition gap.

It is now physically, scientifically and technologically possible to banish hunger and malnutrition from every corner of the earth. The obstacles in many countries are tremendous. Not so here. We have the food, the transportation, the institutional patterns and organizations to gear up and get programs into operation. We have a strong President, determined to close the nutrition gap. New legislation and funds are forthcoming. We have the trained, expert State and local leadership to take it from there.

This, then, is why I confidently predict that we will close the nutrition gap in these United States of America by the end of this development decade of the 60's.

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3 U.S. Department of Agriculture  
7 Office of the Secretary

Mr. President, Members of the New York City Council:

I should like to begin these remarks by commending the leadership and the members of this Council for your concern and interest in food and food costs.

New York is a great city. Its millions of people consume enormous quantities of food. Even a small change in the cost of that food affects their standard of living. This is especially true of large families, and particularly so of those in the low income groups.

Therefore, it is wise, timely, and responsive that you propose to investigate recent food price changes. I applaud your initiative. And I thank you for this invitation to take part in your hearings -- an invitation which I accepted with alacrity.

My philosophy of food and people recognizes the basic unity of interest between the farmer and the consumer -- and with the food marketing system, too. The farmer earns his livelihood by producing food abundantly for consumers, and he expects to receive a fair price for his product. The consumer depends upon the farmer for that abundance of food, and knows that he must pay an adequate price in order to receive it. There is no conflict in these viewpoints ... or in the concept that what is good for the farmer and consumer is in the long run good for the middleman as well.

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Statement of Secretary of Agriculture Orville L. Freeman before New York City Council, City Hall, New York, N.Y., at 10:30 a.m. (EDT), August 4, 1966.

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In addition, each farmer is himself a consumer. Most farmers today buy their food at the supermarket like the city consumer. All of us recognize that nutritious food in adequate supply is necessary to our well-being.

We know that food, like other things, must be paid for. However, because we must have food to live, and because food is an important item in our family budget, and because we buy it more frequently than any other item or service, we are likely to be very sensitive about food costs -- and vocal about them, too.

This is as it should be. The focus of public attention is the most effective instrument for fair play that we have in a free society. Therefore, your investigation is a useful one, and I am pleased to do my best to contribute to it.

Let me repeat that both farmers and consumers benefit from fair and stable farm and food prices. Violent upswings and downswings disrupt markets and supplies, damaging producers and consumers alike.

Sometimes we tend to see only one side of the equation. It is easy to see how prices that are too high penalize consumers. But it is equally true, though less immediately apparent, that in the long run prices that are too low also hurt consumers.

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A fair price must be paid. If it is not paid, consumers eventually will not be able to command the resources and the services to get the food quality and abundance they desire at prices that are equitable. If the farmer and those who manufacture his production tools, supplies, and equipment -- and if those who process and distribute what the farmer produces and bring it to the consumer in an attractive, sanitary, and nutritious way -- if all these do not get a fair return, their labor and their capital will go elsewhere.

Obvious as this is, it bears restating.

It is well to note that over the past year, dairy farmers have left the farm at twice the usual rate, and the number of dairy cows has dropped to the lowest level since 1900. With alternative kinds of employment available, many dairy farmers are putting both their capital and labor elsewhere.

Dairy farmers have been the lowest paid of the generally underpaid farm segment. In New York last year, dairy farmers earned only 40 cents an hour after costs and a  $5\frac{3}{4}$  percent (prevailing rate) return on capital. In Wisconsin, where the prevailing interest rate was  $5\frac{1}{2}$  percent, the hourly return in 1965 was 60 cents.

Is it any wonder that thousands of them are taking the better paid jobs available today in our booming economy with a 40-hour work week and no cows that must be milked morning and night?

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The clearly predictable result of this movement out of dairying has been a sharp cut in the supply of milk with higher prices to the consumer.

The issue, then, becomes clearly: What is a fair price? What should the farmer receive? Are unreasonable profits being made? What is the true story? Is the American consumer getting good food at a fair price, or is he being exploited in the marketplace?

As I have said, I am here to be of service to you in your important investigation. But I also come to you -- and through you to the consumers of this great city and other cities throughout the United States -- with a simple plea, "Don't make the farmer the scape-goat for increases in the cost of living and for the inflationary pressures that may now exist."

I respectfully submit that recent modest farm price increases have been too long delayed.

They are fair to the farmer.

They are needed by the farmer.

They are not unfair to the consumer.

In a broad sense, they are in the national interest.

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Farm price increases have occasioned only a small part of the rise in food prices that we have witnessed recently. Permit me to illustrate my point by an analysis of price increases in certain of the more important food items to which attention has been called repeatedly in the press and on the air in New York City.

Most prominently mentioned have been milk and bread. According to newspaper accounts, the retail price for a 1-pound loaf of white bread rose 3 cents from July 1965 to July 1966. In that same period, the farmer's return for the farm ingredients in that 1-pound loaf -- the wheat, skim milk, and other farm products -- rose from 3.4 cents to 3.9 cents.

The price rise to the farmer was only half a cent -- compared with a reported 3 cent rise in the retail cost. Clearly, 2.5 cents of the 3 cent rise in the loaf of bread was not caused by the farmer.

A little history emphasizes this point. In 1950 the farmer received about  $2\frac{1}{2}$  cents for the wheat that went into a 1-pound loaf of bread. That loaf retailed for about 14 cents then. Today the farmer receives 3.2 cents. But the price of bread around the nation now averages 22 cents. The farmer is receiving less than a penny more for the wheat in a loaf of bread for which the retail price has increased 8 cents.

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The situation for milk is comparable. Increases of 2 to 3 cents a quart have been reported in New York City at the retail level. During 1966 the average price paid to farmers for Class I fluid milk will increase between 40 and 45 cents per 100 pounds over last year. With 46 quarts of milk in each 100 pounds, a retail price increase of about 1 cent a quart would be justified. Anything more than this must be accounted for by other factors.

The question thus becomes, "What about the farm price increases for milk and bread?" Were farmers adequately rewarded before these increases occurred? Or are the increases justified? Are they fair? Are they in the national interest?

The period 1947 to 1949 is customarily used as a base for comparison of price changes in the various items we buy as consumers ... and if we use it as a base to measure recent trends in farm prices, marketing charges, and retail food prices, some interesting facts emerge.

1. Farm prices in 1965 were 8 percent below the 1947-49 base period. In first-half 1966 they were 2 percent below, and last month they were 1-1/2 percent below the base period.

2. Retail food prices in 1965 were 28 percent higher than in the 1947-49 period. In June 1966, they were up 34 percent from the base period.

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Last year the cost to consumers of farm-produced food totaled \$77.6 billion, up \$34.2 billion, or 79 percent, from the 1947-49 average of \$43.4 billion. Of this \$34.2 billion increase in the cost of farm-produced food, \$27.6 billion, or 80.7 percent, was received by the marketing agencies, processors, and other components -- in other words, the middleman. Only \$6.6 billion, or 19.3 percent, trickled down to the farmer for the much larger volume of products he delivered to the distribution system.

The point these figures dramatize is that farm prices and farm income have lagged far behind the return to other sectors of our economy. May I call your attention to certain charts (appended to this statement) which I think will clarify some of the points at issue?

Chart 1 shows the widening gap between retail food prices and the prices received by farmers.

Charts 2, 3, and 4 compare prices for wheat, dairy, and meat at the farm with retail prices of bread and other bakery, meat, and cereal products.

These objective facts establish, I think, beyond controversy that farm prices are not the major cause of increased food prices that we are now experiencing. On the contrary, farm prices lag far behind the increased prices of other items which make up the cost of living.

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Do you know of any other major item -- whether it be taxes, transportation, professional services, housing, or whatever -- whose price is less today than it was two decades ago? I'm sure the answer is "no." There are no other items making up a considerable part of our cost of living that have actually decreased in price.

We are all concerned with rising prices -- the farmer no less than the city dweller. Since 1960, the things the farmer has to buy have gone up by 11 percent. If he had not increased his productivity during these years, his financial position would be very bleak indeed. But since 1960 farm productivity per man hour is up by nearly one-third, compared with an increase in productivity in the non-farm sector of only about 18 percent.

And since 1947, farm output per man hour has risen 185 percent as against an increase of 65 percent in the non-farm sector.

This sizable increase in farm productivity didn't "just happen". The farmer has invested millions upon millions of his own dollars to improve his agricultural plant. Government programs -- research, economic stabilization, credit -- have aided and encouraged the farmer to increase his productivity. And the results have been worth the effort.

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Today, the American consumer -- despite recent price rises -- is eating better food, at a lower real cost, than he ever has before. The average family today spends about 18 percent of its after-tax pay on food -- the lowest average in the world, and by far the lowest in our entire history. In 1947 this same family spent 26 percent of its take-home pay for food, and as recently as 1960 spent 20 percent. If the percent of take-home pay spent for food remained the same as it was in 1947, \$35 billion would be added to the nation's food bill, and about \$750 a year to a family of four.

Let's compare 1960 with today to see how much more we can buy now than we could then: One hour of factory labor earnings in 1965 bought:

12.5 pounds of white bread ... compared with 11.1 pounds in 1960.

2.4 pounds of round steak ... compared with 2.1 pounds.

3.2 pounds of sliced bacon ... compared with 3.5 pounds.

3.5 pounds of butter ... compared with 3 pounds.

9.9 quarts of milk ... compared with 8.7 quarts.

5 dozen eggs ... compared with 3.9 dozen.

27.8 pounds of potatoes ... compared with 31.4 pounds.

16.2 cans of tomatoes ... compared with 14.2 cans.

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American farmers not only have provided a plentiful supply of food for their own country; they have also given the United States a valuable instrument for other uses. This year agriculture will earn more than \$ 5 billion of precious foreign exchange, thus setting a new export record. Each year food assumes a more important role in American foreign policy.

This year we are shipping about one quarter of our total wheat crop to one nation, India...and this wheat is the only thing standing between that sub-continent and widespread famine. Since 1954, 145 million tons of American food, at a cost of more than \$15 billion, have gone to hundreds of millions of hungry, needy people all over the world. This magnificent humanitarian record is a tribute to the generosity of our people and the productivity of our farmers.

But even if we are persuaded, now, that the farmer is entitled to some price increases as a matter of fairness and in the nation's interest, the question still remains: Why have recent jumps in certain food prices exceeded farm price increases?

Why have bread prices jumped a reported 3 cents a pound, rather than the  $\frac{1}{2}$  cent that farm price increases would justify...and why has milk gone up 3 cents a quart, instead of 1 cent?

This very important question deserves a prompt and factual answer.

So far, to my knowledge, consumers have not received such an answer. But I am sure that the members of this Council and many New York

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USDA 2462-66

City consumers read with interest, as did the Secretary of Agriculture, a comparison of the second quarters of 1965 and 1966 in the July 29 issue of the Wall Street Journal which showed that profits for 12 unnamed grocery chains are up 21 percent over a year ago, and profits of food products companies are up 16.5 percent.

And now, as you pursue the answer to the food price question, I promise you the wholehearted cooperation, support and assistance of the United States Department of Agriculture.

Permit me to make a few additional points which I am sure you will want to keep in mind as your investigation goes forward.

These facts are too often overlooked:

1. Farm prices and food prices may be, and usually are, two different things.
2. Americans are choosing more expensive types of food than formerly, and are eating a smaller volume of the lower-price foods. Over the past 20 years, consumption of meat is up about 20 pounds per person, and most of the increase has come in the higher priced cuts of meat. Conversely, consumption of cereal products, an inexpensive item, is down about 25 pounds per person per year over the same period.
3. Today's consumers are receiving more services with their food purchases. For instance:

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The typical American supermarket today stocks from six to ten thousand items on its shelves, double the number it did 20 years ago. It is not unusual to find as many as 85 different cuts of meat and poultry and 70 different varieties of canned vegetables in one market. An estimated 70 percent of sales today are for products that did not even exist 10 years ago. All of these innovations cost money, and all must be paid for by the consumer.

Other non-food services -- parking lots, check cashiers, trading stamps, advertising and promotion -- also cost money.

4. Convenience foods, to the extent they are purchased by a housewife, also add to her food bill. A good example is the TV dinner, selling for 60 cents. Prepared at home, it would cost 20 cents. In this case the housewife pays about 40 cents for built-in services. These convenience foods free the housewife for other activities and give her more time to spend with her family, but they are an item in increased food costs which cannot be charged to the farmer. For a TV dinner, for instance, the farmer receives only about 8 cents for his products out of the 60 cents retail cost.

5. The shopper in the supermarket often buys many items in addition to food. Cigarettes, cosmetics, hardware, and even wearing apparel go through many a supermarket check-out counter. Certainly, these items cannot properly be considered a part of the family food budget.

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USDA 2462 - 66

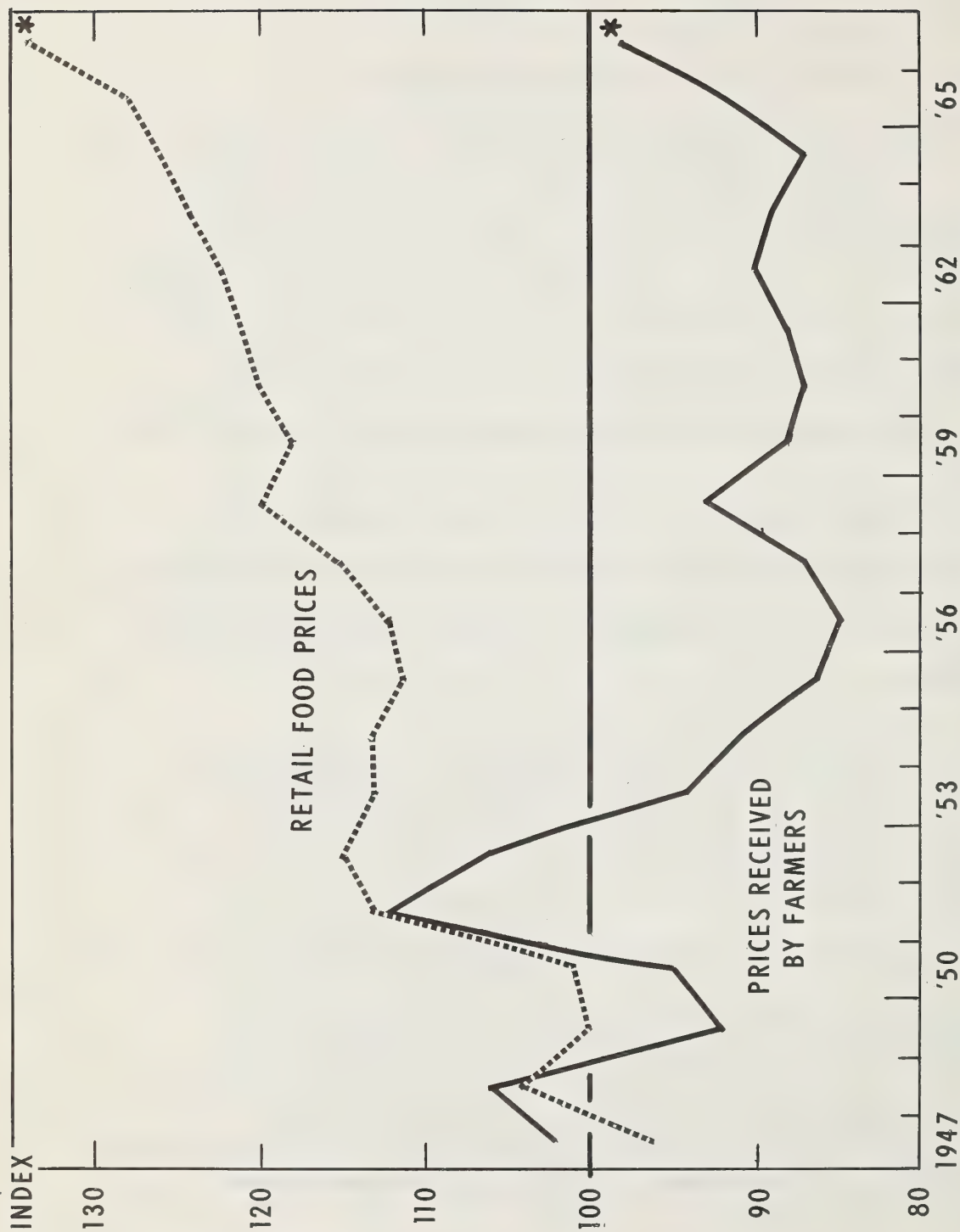


Finally, let me point out once again that:

1. Only a small portion of the increased cost of food at the retail level can be traced to increased farm prices.
2. Recent modest farm price increases are badly needed and have been earned. Both consumers and farmers benefit when the farmer is fairly rewarded for his labor. The farmer has not been fairly rewarded in the past, and if this situation is allowed to persist, food supplies will diminish as farmers leave agriculture. Prices will then increase sharply and the consumer ultimately will pay much more.
3. Many factors -- convenience items, services, etc., -- go into the retail price of food. All of us as consumers must decide whether we wish to buy such convenience and such service along with our daily bread.
4. The real cost of food -- measured as a percentage of income and in the number of hours of work necessary to buy it -- has been going steadily down.
5. Food price increases beyond the modest farm price increases so far experienced call for vigorous investigation. Food is a necessity. The food middleman is entitled to a fair return for his capital and labor, but more than a fair return is not in the interest of the consumer, the farmer, or the businessman.

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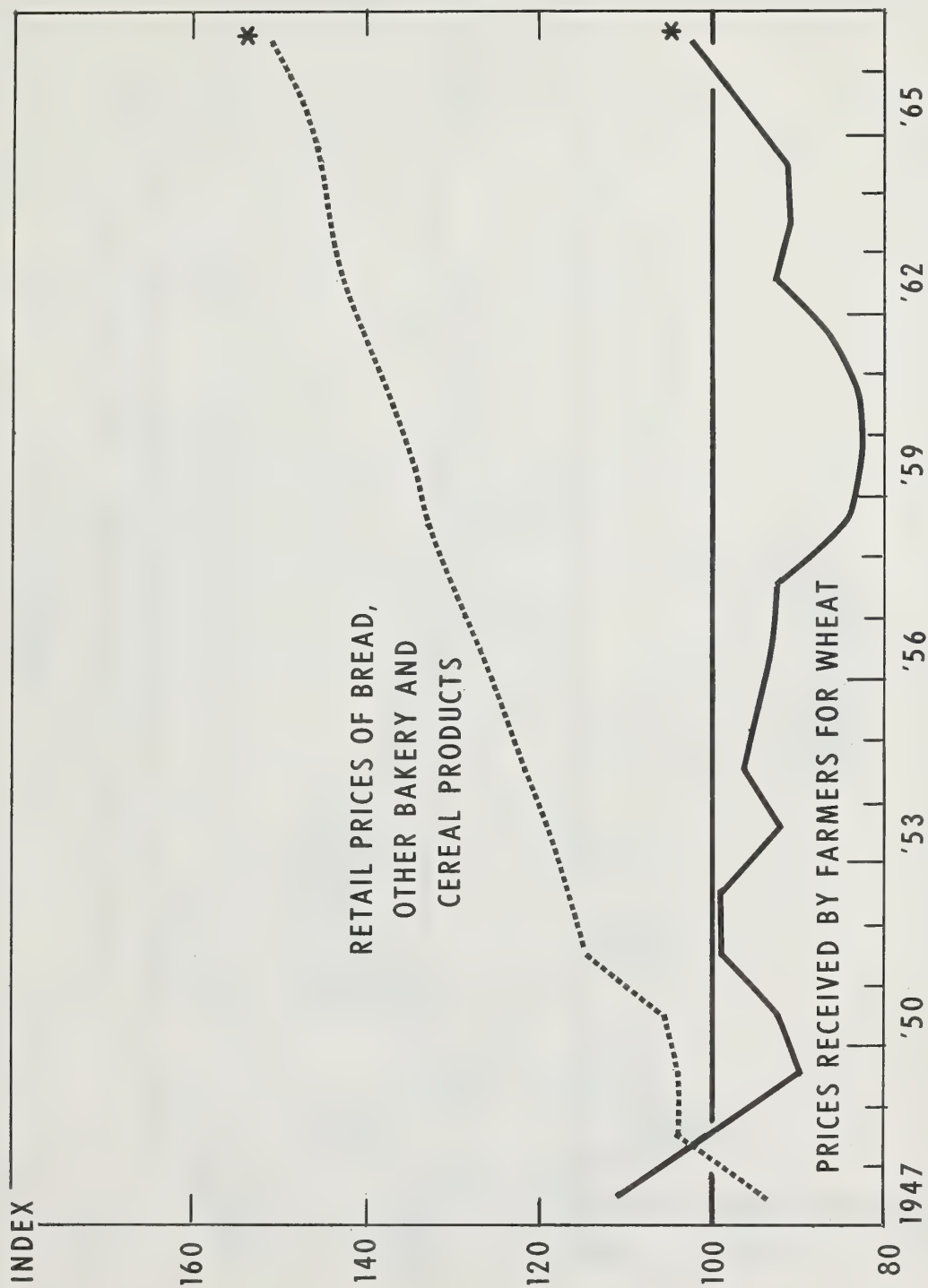
USDA 2462 - 66



Prices received by farmers and retail food prices, 1947 to date  
(1947-49=100)

\* Jan.-June average.

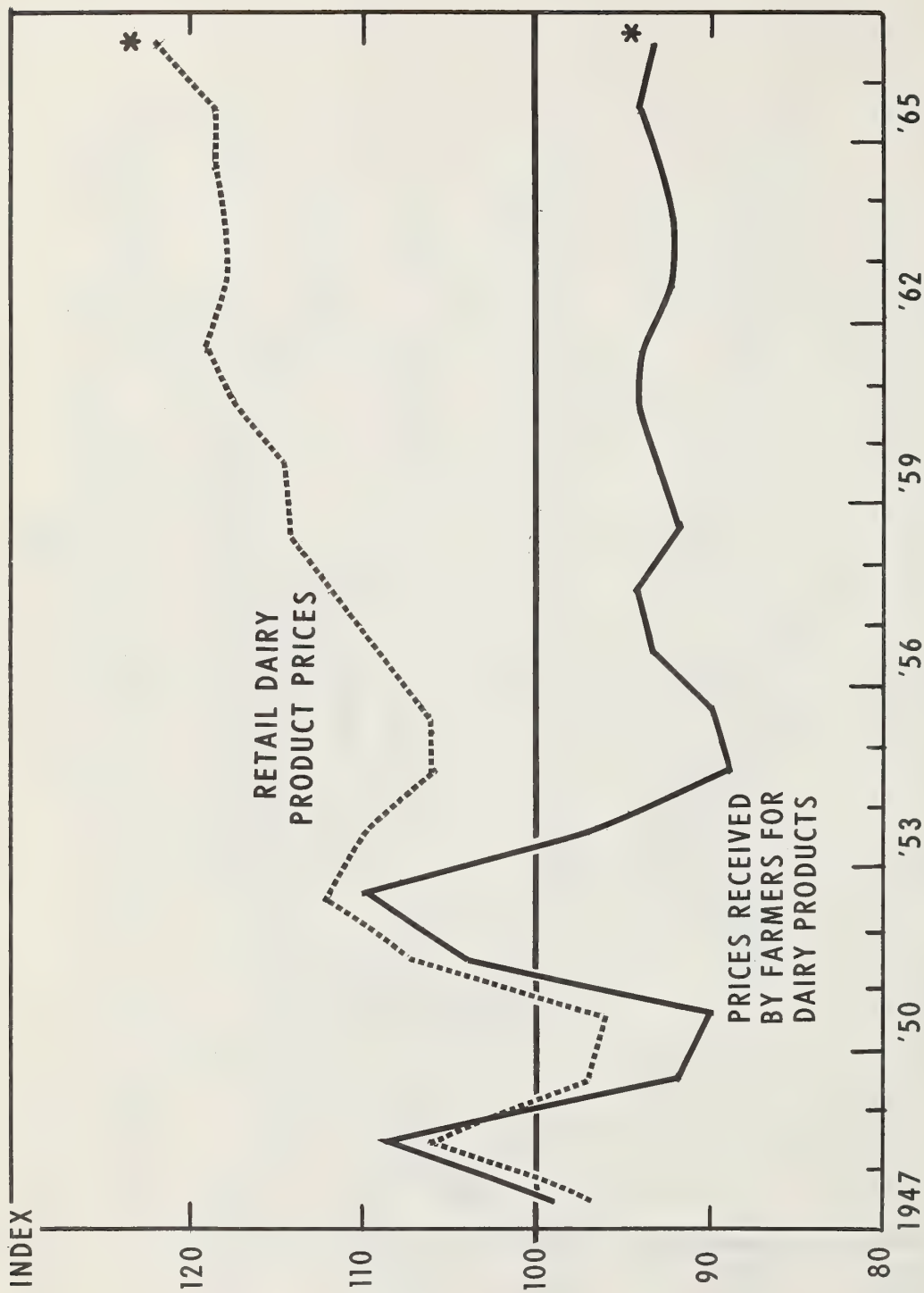
CHART NO. 1



Average prices received by farmers for wheat, and retail prices  
of bread and other bakery and cereal products, 1947 to date  
(1947-49=100)

\* Jan.-June average.

CHART NO. 2

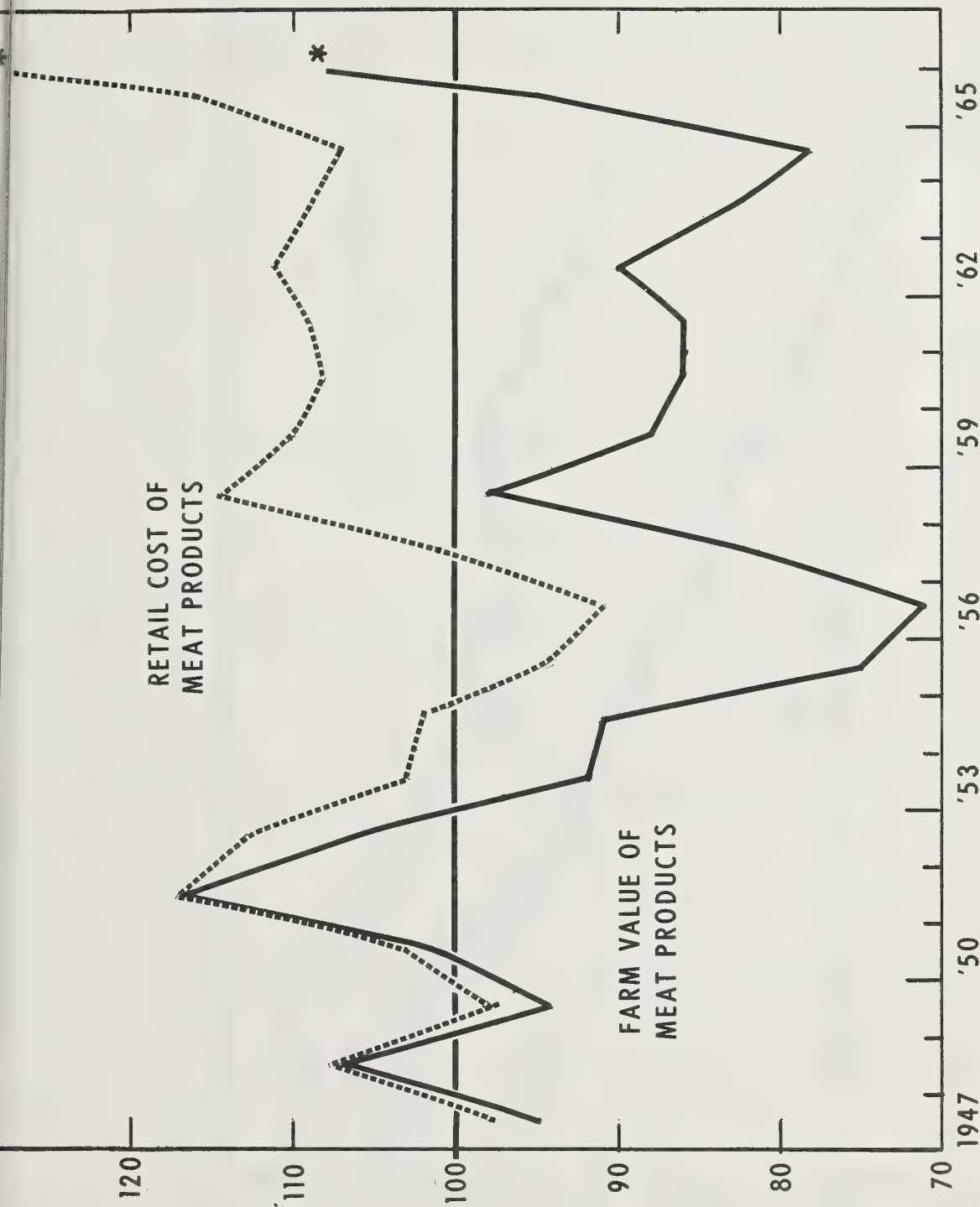


Prices received by farmers for dairy products and retail dairy products prices, 1947 to date (1947-49=100)

\* Jan.-June average.

CHART NO. 3

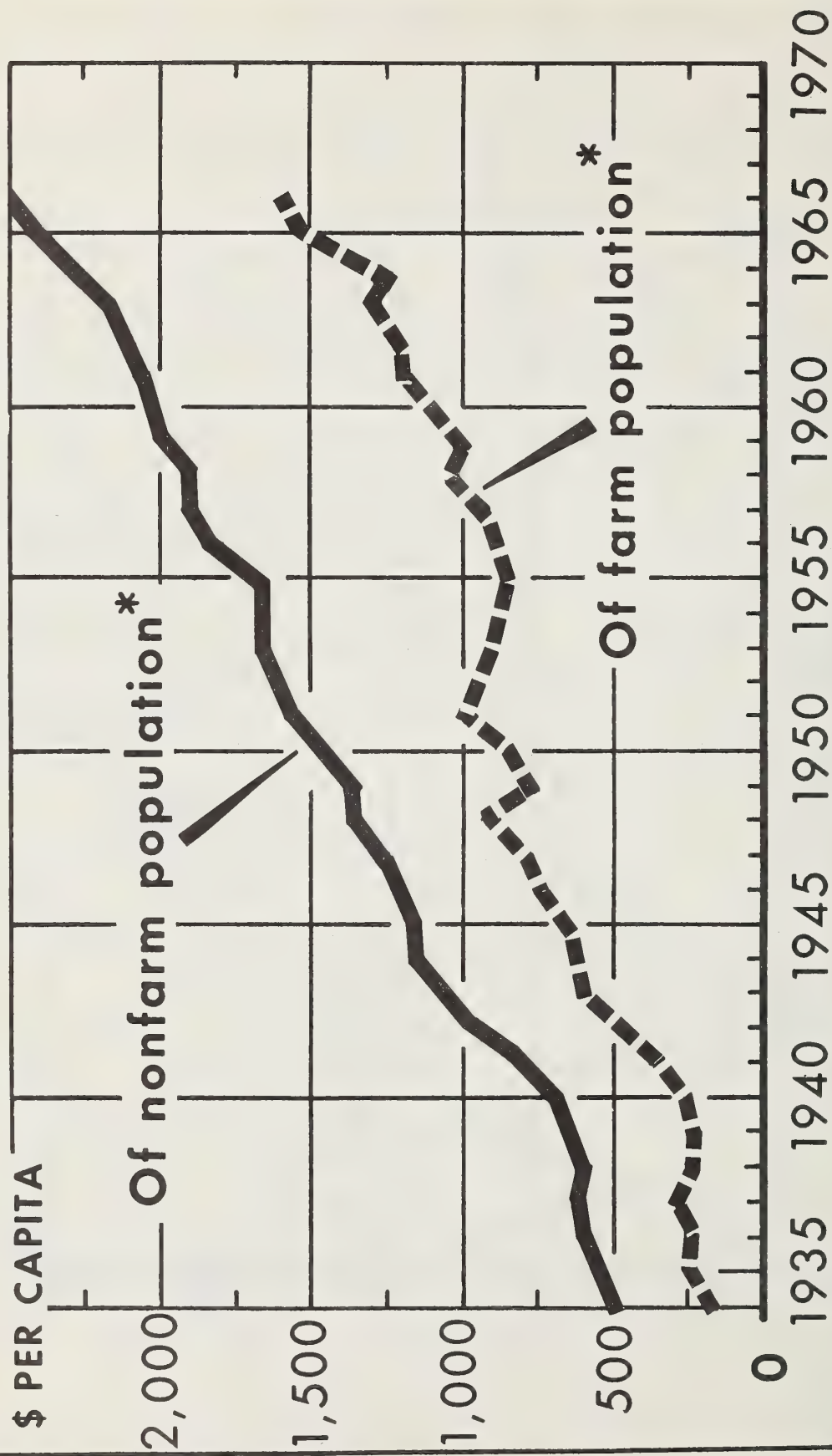




Farm value and retail cost of meat products per wage-earner household, 1947 to date (1947-49=100)

\* Jan.-June average.

# DISPOSABLE PERSONAL INCOME



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The altruism and the idealism which have characterized Hadassah since its inception inspire me tonight to explore with you the legitimacy of man's aspirations for a better life.

Specifically, let me pose this question: Do we Americans have reason to believe we can create a Great Society?

If so, then, can we reasonably expect the flowering of such a Great Society to pollinate beyond our shores?

I think we can answer Yes to these questions if we agree on a basic premise -- that man is a rational creature and, within limits, has a perfectible nature.

I believe this. If I didn't, I would not be in public service. Instead, I'd be standing to one side casting a cynical eye on all of history's glorious -- if sometimes misdirected and hopelessly bungled -- efforts to better man's lot and ease his tribulations.

It is said that human civilization is but a thin veneer on a creature but a step removed from the feral.

It is said that the finest of men harbor demons in their breasts -- demons which in personal adversity quickly devour those

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Address by Secretary of Agriculture Orville L. Freeman before the National Hadassah Convention at the Sheraton-Boston Hotel, Boston, Massachusetts, August 16, 1966, at 7:30 p.m. EDT.

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distinctly human concepts of love, trust, compassion, devotion to justice, freedom and liberty -- and turn him back to beast.

It is said that man, for all his claim to reason, through the centuries has displayed an infinite capacity for playing the fool.

It remains for each of us to measure the credence we give these allegations. But I'm sure all of us agree that there is at least a modicum of truth to each.

Need we despair over this?

I say No. I say we should rejoice because the very fact that mankind persists, in the face of what may seem insurmountable odds, to do battle with the beast and the fool within him is proof, I believe, that he is rational ... that within limits he is perfectible.

And I believe man is winning that battle!

He is winning because he has learned to cherish those concepts which may not have been intrinsic to his basic nature, but which, through time and trial, have become the very reason for his existence.

So, then, the question is legitimate. Can we aspire to an even higher state? Do we have reason to believe a Great Society can be created here and throughout the free world?

I say Yes. I say Yes because the base is there. The foundations have been laid.

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Charles Malik, the former President of the United Nations General Assembly, addressed himself to those questions in the August 6 issue of the Saturday Review. This article made me proud to be an American as it challenged this blessed land of ours to reach for its destiny.

He opens an essay on "Reflections on the Great Society" with these words:

"With the sheer size of America,

"in its unbelievable industrial development,

"in the fact that its people enjoy the highest average standard of living ever attained by man,

"in its enormous possibilities and opportunities,

"in the sheer diversity of its cultural origins,

"in the sense of belonging and participation that all Americans feel,

"in the general order and peace it has vouchsafed for its people,

"in the resultant amazing creativity in every phase of civilization,

"in the fact that its will today is one of the very few decisive wills in world affairs,

"in the lure with which it continues to attract countless peoples to its shores,

"and in the simple fact that, barring unforeseen catastrophes, one can clearly see a thousand years of American development ahead -- in all these respects the American achievement is unique in history.

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"Americans, therefore, can rightly aspire, as President Johnson has projected, to develop in time the truly Great Society."

Dr. Malik is right. We can aspire to the Great Society. We're moving toward it with every passing hour.

The United States of America is today the strongest, the richest, the freest nation in the history of the world.

Our military strength is unquestioned and unsurpassed.

We are now enjoying the longest, uninterrupted economic advance ever to bless this nation. Last month more Americans were employed than ever before. The gross national product is at a record level and continues to climb. Personal income and personal savings are at an all-time high.

Legislative action and court decisions have accelerated progress in civil rights and civil liberties at a rate few would have believed possible just a decade and a half ago.

We have come a long way. But we still have a long way to go.

Pockets of poverty, ghettos of ignorance, cesspools of bigotry and vacuums of opportunity still exist in this richest of nations, in this most enlightened of eras.

Thus the continuing effort to create the Great Society.

The President has given the inspiration and laid down the guidelines. And the Congress is responding in magnificent fashion.



Less than three years ago, the President defined the goals of the Great Society.

"We do not intend," he said, "to live in the midst of abundance, isolated from neighbors and nature, confined by blighted cities and bleak suburbs, stunted by a poverty in learning and an emptiness of leisure.

"The Great Society asks not only how much, but how good; not only how to create wealth but how to use it; not only how fast are we going, but where we are headed."

The President then listed three "basic tasks:" First, to keep our economy growing; second, to open for all Americans the opportunity that is now enjoyed by most Americans; and third, to improve the quality of life for all.

In the past year and a half, Congress has passed a wide range of legislation to help accomplish these "basic tasks."

In education -- Congress passed the Elementary and Secondary Education Act and the Higher Education Act.

For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

For older people -- Medicare and the Older Americans Act.

For the poor -- The Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action Programs.

For the farmer -- The Food and Agriculture Act of 1965, providing the means to achieve, for the first time in 50 years, a balanced agriculture.

For city dwellers -- the Housing and Urban Development Act, The Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

For rural dwellers -- the Food and Agriculture Act of 1965.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- The Historic Voting Rights Act -- the first effective such law in a hundred years.

For everyone interested in conservation -- The Highway Beautification Act, the Water Pollution Bill, the Air Control Bill.

While these far-reaching measures are aimed at specific needs and inequities, they are by no means parochial. They are aimed at strengthening all America and all Americans. Justice and good health and education for Americans do not cost -- they pay! They are not a luxury -- they are a necessity.

And they are building the Great Society in the United States of America!

This is a credible record from which we can draw encouragement as to what can be done and the stimulus to do it.

The future of this nation has never been brighter.

"Barring unforeseen catastrophes," Dr. Malik said, "one can clearly see a thousand years of American development ahead."

The brightness of our future begs the next question. What of the rest of the world? Can the Great Society proliferate beyond the water's edge?

"Our own freedom and growth have never been the final goal of the American dream," President Johnson said in 1965. "We were never meant to be an oasis of liberty and abundance in a world-wide desert of disappointed dreams. Our nation was created to help strike away the chains of ignorance and misery and tyranny wherever they keep him less than God means him to be."

Early this year, the President pledged a world-wide attack on the problems of hunger and disease and ignorance.

He pledged the resources of our agriculture to help other countries committed to developing their own agricultures.

He proposed the International Education Act of 1966 to aid those who educate the young in other lands.

And he proposed the International Health Act of 1966 to "strike at disease by a new effort to bring modern skills and knowledge

to the uncared-for, those suffering in the world...and to help countries trying to control population growth."

The order in which the President listed these international Great Society measures has particular significance. It underlines the fact that the greatest single challenge of our time is averting global famine.

The magnificent work carried out by Hadassah in child health and nutrition has alerted members of this organization to the threatening world food crisis.

You know that the accelerating imbalance in the world population-food supply ratio casts a spectral shadow across the world.

You know that the crisis will be full-blown and upon us in a matter of a few decades or less unless we move now to head it off.

The dimensions of the world food crisis are awesome.

Consider, first, the magnitude of the population explosion. Until the turn of this century, world population never exceeded a billion people. But in just 66 years we've added another two billion...and in the next 15 years there will be still another billion.

By the year 2000, the population of our own nation will have increased 58 percent. But the population of Latin America will have tripled in the same period, and the population of Asia will have reached 4.4 billion people.

By the year 2000, no less than 80 percent of the world's people will live in what today are described as hungry lands.

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And world food production has not kept pace!

World food production was the same in 1965 as in 1964. But in that one year period the world's population grew by 63 million people. This meant that the same amount of food had to feed that many more mouths in a world where two-thirds of the people already were suffering from hunger.

In some of the hungry nations, half the children die before reaching the age of 6. Thirty-five percent of all children in all the hungry nations die before reaching that age.

Of those who survive beyond 6, two-thirds suffer from malnutrition, their physical growth is reduced by a third, and their mental capacity by as much as a fourth.

Three hundred times as many children die in Latin America from measles as succumb to it in this country, for malnutrition leaves a child much more vulnerable to the minor childhood diseases.

In Southeast Asia, 40 percent of the children die by the age of 4--a death rate not reached in the United States until age 60.

In North Africa, a mother must bear 5 children to make certain one will live to the age of 15.

And while this is happening around the world, and growing worse by the day, this Nation, our Nation, has never been stronger, richer, or better fed. Many more Americans are concerned lest they eat too much rather than suffer from not enough.

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The humanitarianism which inspires Hadassah can appreciate, I'm sure, the tragic irony of this.

Theoretically, we have two options. Realistically, we have only one. Theoretically, we could turn our back to the hungry world and feast on our own abundance. Realistically, we know we cannot.

To turn away from a famine-stricken world would be to flout our great Judeo-Christian tradition of sharing with the less fortunate.

To turn away from a seething, desperate, food-starved world would jeopardize our own security.

I am told that there is no word for "charity" in the Hebrew language. But the equivalent word is from the root of a word of even loftier concept--Justice.

Recently I came across this passage in a book by Harry Golden and Martin Rywell titled: "Jews in American History." This passage, it seems to me, is particularly fitting:

"The more fortunate are but custodians to give to the less fortunate. The hand that gathers must give. With the giving hand must go the understanding heart. It is not charity but Justice."

Traditionally, Jewish people have always responded to human need, and the record of Jewish-American philanthropy is lengthy and lustrous. The charitable works and causes of such people as Rabbi Stephen Wise, Herbert Lehman, Adolph Ochs, Eddie Cantor, and the founder of your own organization, Henrietta Szold, come immediately to mind. And there have been many more.

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But the warmth of the Jewish heart is complemented by the practicality of the Jewish people.

I'm certain Hadassah recognizes that there is a practical, as well as a humanitarian, reason for waging an all-out world war on hunger.

Rich as we are, strong as we are, we could have no real national security in a world gone mad with hunger.

We know that hunger and deprivation breed violence. In today's world there are 38 very poor nations with per capita incomes of \$100 or less a year. Since 1958, 32 of these countries have had significant outbreaks of violence.

In the past eight years, 87 percent of the very poor Nations, 69 percent of the poor Nations, and 48 percent of the middle-income Nations have had outbreaks of serious violence.

Only 3.7 percent of the rich Nations have had such outbreaks.

It should be clear, then, that our efforts to alleviate world hunger are justified on both humane and practical grounds.

In the past 11 years, we have carried out these efforts through the monumental Food for Peace program. Food for Peace expires this year after writing a glorious record of global life-saving. Under its provisions, more than 150 million tons of American food--valued at \$15 billion--have been sent abroad.

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Now, tonight, I come before you to ask your support for what hopefully will succeed Food for Peace ... President Johnson's Food for Freedom program now pending in Congress.

Food for Freedom goes beyond the dimensions of Food for Peace. It promises to strike directly at the root cause of the world food problem.

Food for Freedom recognizes that we alone cannot feed the world, that even redoubled thousands of ships laden with the harvest of America cannot indefinitely stem the tide of world hunger ... that even our bounty has its limits.

In February of this year, the President told Congress: "We cannot meet the world food needs of the future, however willing we are to share our abundance. Nor would it serve the common interest if we could."

We know now that hunger must be defeated on its own grounds -- in the lands where it exists.

We know now that agriculture must have first priority in the hungry nations, for those nations must learn to feed their own.

We know now that population control and agricultural development must proceed simultaneously to win the war on hunger.

We also know that the harnessing of population growth will take time, effort and education, as well as money, and effects will not be noticeable for at least a generation.

Only one conclusion can be reached: The hungry nations must develop their own agricultures at a faster rate than ever before in human history.

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Food for Freedom aims directly at this target. It provides the incentive and the assistance for achieving it.

Food for Freedom will not mean an end to aid programs, but it does link food assistance, capital assistance and technical assistance to the recipient nation's demonstrated intent to strengthen its own agriculture.

Food for Freedom will make more and better food available than under the Food for Peace Program. No longer will aid shipments of U. S. food be limited to surplus commodities. Instead, American farmers will be able to produce to meet specific dietary and nutritional needs of the recipient countries.

Increasing attention will be given to the nutritional requirements of the children of the hungry nations.

In effect, we will use our food abundance to buy time ... time for the developing nations to build their own agricultural plant and achieve self-sufficiency in food.

Can this be done? No one should underestimate the difficulties. This is a tremendous undertaking, encompassing radical change in centuries-old patterns of agriculture. It will require a commitment which has been lacking in most of the emerging nations. And it will require the support and encouragement of all of the economically developed nations.

The hard, day-to-day work of teaching farmers how to grow more rice or more grain is not dramatic. Establishing a national

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college of agriculture is not dramatic. Neither is training extension agents to bring scientific agriculture to the farmer.

It is not hard to understand why some emerging nations chose, instead, to build steel plants and skyscrapers. Steel plants and skyscrapers are dramatic evidence of progress in those lands where progress has lagged for centuries.

But we know now that for real progress the priority must be reversed ... that agricultural development is the first and foremost requirement for any nation to reach economic self-sufficiency.

Developing agricultural programs in these nations will be most difficult ... but it is not impossible.

Some developing nations are actually increasing their agricultural productivity at a rate higher than that of the developed nations -- including the United States.

Israel, for instance, has outpaced all other emerging nations in agricultural development, increasing food production four-fold since the establishment of the State in 1948.

Foreign aid and technical assistance, most of which came from the United States, have made significant contributions to Israel's agricultural development ... but in no way do they dull the lustre of Israel's remarkable achievements.

Stimulated and undergirded by agricultural advances, the economy of Israel has now reached such a state of robust health that Israeli technicians, 832 in all, are helping the peoples of 62 other countries develop their agriculture and strengthen their national economies. No less than 400 of these technicians are agricultural experts. Supplementing this program is another assistance program which has brought 2,000 trainees, mostly from Africa, to Israel for skilled instruction. At least a thousand of these are being trained in agriculture.

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Israel and the few other emerging nations which have remarkably increased their agricultural productivity differ in many ways, but they share one thing in common: A national will to improve their own agriculture.

Self-help, bootstrap success stories such as Israel's give me confidence that global famine can be averted ... that the war on hunger can be won.

This is an abiding concern with me, as I hope it is with you. For behind the cold statistics are the human beings involved. Never far from my mind is the spectre of hungry children. I have seen their faces. I can never forget them.

I cannot forget that the twisted bodies and the empty minds which come from infant malnutrition can never be wholly corrected. And I cannot forget that the children of today's hungry lands must be the leaders of those lands tomorrow.

The war on hunger we fight today will have irreversible effects down through the years. The winds of change which course across African villages and South American barrios also course across our continent -- and can change the lives of our children for better or for worse.

And thus, it is that the answer to the question I posed at the outset takes on a new dimension. Not only can we build the Great Society at home and abroad ... we must build it.

We must build it not as an expression of charity ... but rather as a monument to that loftier concept of Justice.

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For Justice, like Love, is a many-splendored thing that eloquently  
bespeaks the very best of man.

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It is my great pleasure to be here with you today -- for many reasons.

It is fascinating to visit this most northern city of the United States. And it's both stimulating and inspiring for me to meet with a group which is so effectively helping the people of Alaska overcome the handicaps of frontier life -- helping them to begin to realize the fabulous potential of this rich State.

I boned up on some Alaskan lore in preparation for this trip -- and it made me look forward to the visit with really keen anticipation.

What a story of progress this region can tell since its purchase from Russia 99 years ago for a price of about 2 cents an acre.

This land that some people called "Seward's Folly" and "Seward's Frog Pond" -- the land they described as "590,000 square miles of icebergs and polar bears" -- is now not only the biggest State in the Union, but the nation's greatest treasure chest of minerals, furs, forests, fish, and other natural resources.

What a long way Alaska -- and Alaskans -- have come!

And what opportunities beckon in the decades ahead! Long before the end of the present century, I am confident that Alaska will be a major gateway of trade to the Orient.

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Address by Secretary of Agriculture Orville L. Freeman at meeting of Alaska Rural Electric Cooperative, Inc., Fairbanks, Alaska, August 24, 1966, 12:30 p.m. Alaska Standard Time.

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Unlike the frontiers of the past, this "last frontier State" has the benefit of dozens of helpful programs through which government -- Federal, State and local -- cooperates with citizens to lay the foundation stones of a Great Society.

This is the concept of Creative Federalism.

The timid, the suspicious, the selfish fear, or at least purport to fear, government. The bold embrace it as a creative instrument to achieve man's goals and better his life.

The boldness of President Johnson's "creative federalism" is unprecedented, for it is directed to a conscious interaction of Federal, State and local governments, working together with private enterprise, to, as the President himself put it: "best use the wonderful diversity of our institutions and our people to solve the problems and to fulfill the dreams of the American people."

In six years as a state governor I learned a good deal about the federal services available to Minnesota. But now that I am in my sixth year as an official of the federal government, I have come to appreciate how much greater and far-reaching the responsibilities and programs of USDA are than I knew then -- and also how impossible it is for the USDA to carry out its programs and responsibilities without close cooperation in the state and local areas.

I want to take a few minutes this afternoon to discuss with you some of our USDA programs and objectives and their application to Alaska.

(more)

USDA 2697-66

Alaska is keyed in on every objective of the USDA. We have a growing battery of aids to help you build a thriving, prosperous, productive economy. And we are happy to see you making increasing use of them.

You are naturally most interested in electrification and telephones. Here, certainly, is a prime example of Creative Federalism.

I don't believe there is any State of all the 50 in which the rural electrification program has had more impact than here in Alaska. In the past 25 years you have borrowed \$110 million in REA loans and used these funds to provide electricity along more than 4,000 miles of line. Today REA-financed power flows through over 35,000 of your meters, bringing light, heat, convenience, and power to 140,000 Alaskans.

I have a particular interest in the history and development of the first REA loan in Alaska. This loan was made to the Matanuska Electric Association of Palmer in 1941 and in January 1942 the first REA-financed electric line in Alaska was placed in operation. I am interested in it for two reasons: First, because it brought electric power to Alaska's principal agricultural section. Second, because a number of farmers from my own State of Minnesota migrated to Alaska to help settle the Matanuska Valley.

The ten rural electric cooperatives you represent serve about half of the Alaskans who have central station electric service. You constitute the largest segment of Alaska's electric industry. And you have made perhaps the biggest investment of any private enterprise in the present and future of this young, dynamic State.

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USDA 2697-66



Except for your initiative and for REA financing and technical assistance, the development of electric service outside of Alaska's larger established communities would have nowhere near its present scope. And I have no hesitation in saying that because of your experience and example, the REA program offers the principal hope of getting electric power for the approximately 150 Alaskan communities that are still without central station service.

I feel sure that you and other progressive spirited citizens will continue your efforts to bring electric power to all of Alaska's communities. Electrification continues to be an urgent need. It is essential to the development of both your agriculture and your industry. I'm told that we can expect a vast production of aluminum along with other great industrial developments when this State generates the needed hydroelectric power.

Your progress through the REA telephone program is also highly significant. When this program was authorized in 1949, only one out of six farms in Alaska had a telephone. Today, 55 percent of the farms have telephones as well as many rural homes and businesses. You have brought modern telephone service to over 3,000 rural subscribers. When the additional facilities provided for by REA loans have been completed in the Matanuska and Copper Valley communities, over 4,000 subscribers will be enjoying modern telephone communication.

It would be hard to find a better example of the role of government as a positive, creative force for economic and social progress than is provided by your cooperatives here in Alaska.

Let me offer additional illustrations..

(more)

USDA 2697-66



As you know, this Administration and the Department of Agriculture are placing great stress on rural areas development. This is a "people's movement." Despite the very considerable activity by the Federal Government, the revival and development of rural America is not a job for Government alone, or even primarily. It must be -- and it is -- a nationwide movement, involving people of all classes and governments at all levels. Our role is to help local people develop the human and natural resources of their communities as effectively as possible.

Again I point out that nowhere in the entire nation is there a greater field for this type of development than here in Alaska. Rural areas development takes many forms. Among them are better farming, new industry, improved housing, community water systems, vocational training, resource development, and cooperative enterprises.

I was delighted to learn that the Chugach Cooperative has been active in aiding local business groups to finance electric facilities essential to new economic enterprises. One of these, I am told, is a milk processing plant which is helping to meet some of Alaska's growing requirements for dairy products.

Many rural development projects depend on the supervised credit of our Farmers Home Administration. Here in Alaska during the past fiscal year, FHA made 427 loans, amounting to almost \$1.9 million. That's roughly ten times as many loans as were made in Alaska during fiscal 1960.

Over half of the loans made in fiscal 1966 were used to build new homes or to repair and renovate existing homes. We think this will continue to be a major FHA activity in Alaska over the next few years.

(more)

USDA 26-97-66

You may have heard that the USDA has been instrumental in developing a special type of prefabricated house specially adapted to arctic and sub-arctic weather. A shipload of 20 of these houses is presently enroute to Barrow for residents of that community who are using from \$8,000 to \$12,000 in Farmers Home Administration credit to purchase the new dwellings.

Known as the "Barrow" house, these prefabricated dwellings are self-contained units. They are constructed on pilings, which come with the package, and are available in two and three-bedroom units.

Because the perma-frost in Barrow does not permit the laying of pipe, each house has its own water supply and chemical waste disposal system. The water supply is stored in a 200 gallon tank that is filled by melting ice in a gas heater that comes with the package, and which also supplies heat for the dwelling. The house is color-keyed in such a way that it can be erected by semi-skilled workmen under the guidance of a supervisor.

The housing loan program is growing rapidly here in the Fairbanks area as well as around Valdez and on the Kani Peninsula. In the Fairbanks area alone we expect around \$150,000 in housing loan activity during the current fiscal year.

Next to housing loans the greatest credit activity has been in economic opportunity loans to help develop or expand income producing enterprises. In fiscal 1966 we advanced nearly \$600,000 in Alaska for this type of loan.

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One such loan was made to a group of low income fishermen near Bethel, to develop the Kuskokwin Fishermen, Inc., cooperative. The \$36,000 they borrowed will enable the co-op to provide freezing, processing, refrigerated storage, and marketing facilities for its members. We think it will result in a substantial increase in income for the families involved.

FHA has also approved its first water system loan and grant in Alaska. A loan of about \$400,000 and a development grant of almost \$200,000 will finance construction of a water system in Wrangell that will serve about 240 families and several businesses. When the system is completed, water will no longer need to be hauled to homes and the system will also provide better protection against fire.

Another area of creative federalism -- and one which is of paramount importance to Alaska -- centers around the work of the USDA Forest Service, which administers, protects, and improves the Tongass and Chugach National Forests. These two great forests comprise 21 million acres of immensely valuable natural resources. They supply the continuous demand for pulpwood by Alaskan-based paper mills. They contain a wealth of wildlife. They are increasingly attractive to tourists.

Last year the Forest Service made the largest single timber sale in history -- 8.75 billion board feet of timber from the Tongass National Forest to the St. Regis Paper Company. The timber will be cut over a 50 year period. The final sale is contingent on the Company's building a pulp plant to employ 1,000 persons within or adjacent to the sale area by July 1, 1971. The contract also safeguards the salmon streams and other wildlife and recreation resources in the area.



Finally, let me illustrate the creative role of government by citing a few current contributions to the general development of your agriculture.

While Alaska is not a great agricultural State at present, it has been estimated that some 40 million to 60 million acres of land could be suitable for farming and cattle and sheep grazing. Most of this land would have to be cleared of dense plant growth before it could be farmed. However, in view of the increasing needs for food to meet a rapidly growing world population in the decades ahead, this represents a highly valuable reserve.

Research is continually carried on by our Agricultural Research Service and by your own Alaska Agricultural Experiment Station to improve the productivity of your farms. Researchers test the best varieties of forage, grains, and vegetable crops to see if they are adaptable to Alaskan soils and climate, or can be made adaptable through selective breeding.

Locally grown forage and grain products are especially important because of the great distances over which supplemental feeds must be transported. Fortunately, scientists are making considerable progress in improving varieties of native grasses.

Research in soil fertility is pinpointing the best uses of fertilizers to increase yields.

The Alaska Experiment Station has developed a potato that can compete favorably with imported potatoes in quality.

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And, of course, much research is devoted to determining the best breed or breed combinations of dairy cattle for your State. I'm told that with adequate nutrition and management your purebred Holsteins and crossbred Red Dane-Holsteins average more than 14,000 pounds of milk and 500 pounds of butterfat per year.

Problems of capital development are particularly critical on dairy farms in Alaska. So a good deal of work is being done to determine the right level and combination of inputs for maximum profits as well as on the most effective use of capital.

These are some of the USDA examples of Creative Federalism. Here we see the results of a vigorous working partnership which demands progress and is properly prepared to innovate and initiate new techniques, methods, and patterns to get results.

We expect great things of this State during the remainder of this century and far ahead. We base those hopes in large part on what you in this audience and your fellow Alaskans have already accomplished.

Your growth, your job in building your co-ops, has not been easy. You have had to overcome the usual handicaps of rural service -- and far more. Location, climate, nature, and economics have joined to make the job of bringing electricity and telephones to rural Alaska difficult beyond anything encountered anywhere else. Your accomplishments stand as a lasting tribute to the indestructible spirit of the people of Alaska.

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I add my own tribute for these unusual performances -- above and beyond the call of duty:

-- to Golden Valley Electric Association of Fairbanks for putting its own resources at the disposal of the people of Barrow in solving a serious power supply problem.

-- to the Copper Valley Electric Association at Glennallen for its willingness to help the people of Valdez, devastated in the March 1964 earthquake, to acquire electric service in their new townsite at Mineral Creek.

-- to the Matanuska Electric Association for helping the people of Unalakleet regain electric service when the old plant failed. This borrower flew in poles and equipment to restore electric service.

-- to all here today who, in this last frontier State, exemplify the neighborly cooperation which helped to build, and which still sustains, this nation.

We salute you, and assure you of our continuing interest and support.

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USDA'S GOALS IN INTERNATIONAL EDUCATION

This is a doubly pleasant occasion. I'm delighted to join Administrator Gaud, Assistant Secretary Miller, and all of you in recognizing the faculty and the achievements of the USDA Graduate School. And I think the theme, "International Education and Development Goals," chosen for this program is particularly appropriate.

The occasion is a melancholy one, also, in a single respect. Secretary Rusk, who was to join us this evening to tell about the goals of the Department of State, is ill.

Secretary Rusk is not so indisposed, however, that he would mind if I say to Dr. Holden, who so capably directs the Graduate School, that his institution reminds me of the story about a clergyman who met a little boy from his Sunday School walking down the street. Wanting to see how much the little fellow had learned, the clergyman asked him, "Who made you?" The youngster looked thoughtful. Finally, he shrugged his shoulders and said, "I dunno. I ain't done yet."

I think of the Graduate School as a school for adults who "ain't done yet" -- who want to continue to grow, to learn, to get ahead. Your last year's record of 19,000 course enrollments testifies to the great need this school fills.

It is fitting that the Graduate School should have begun in the U. S. Department of Agriculture, and that it continues to be so closely associated with USDA. The Department itself, as most of you know, started as an educational agency

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Remarks of Secretary of Agriculture Orville L. Freeman at Annual Faculty Dinner marking the 45th anniversary of the U. S. Department of Agriculture Graduate School, Department of State, Washington, D.C., Sept. 7, 1966, 6:30 p.m. (EDT).

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of government and it still proudly carries out that role today.

For more than a century it has been educating American farmers -- helping them develop the most productive agriculture in the world, making them more efficient, better managers, better businessmen -- helping farm women become more capable homemakers -- teaching farm youth not only to be good agriculturalists but good citizens.

This has been a cooperative endeavor with the Land Grant colleges, the State Experiment Stations, the State Departments of Agriculture and Extension Services, the farm organizations and other groups. Cooperation has made it work.

Now the USDA, in cooperation with AID and the State agencies and other groups, is progressively taking on a new job of education -- that of helping to build more productive agricultures in the food-short developing nations.

I am convinced that there is no more important work than this anywhere in the world.

I make that statement on the basis of what I have personally seen this year in Vietnam, Brazil, India, Pakistan, and other emerging Nations.

About two months ago I stood in Bombay and watched American Peace Corps workers distribute free milk to the mothers of hungry Indian children.

The mothers brought their children to the milk dispensing station at a certain hour. Each got a carefully rationed allotment. Later in the day, some returned to beg for more for their hungry infants.

Many were turned away. Why? Because that limited supply of milk had to be stretched as far as it could be stretched to reach as many as possible.

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It tore at my heart. It tore at the heart of those magnificent young Peace Corps workers every day and every night. It would tear at your heart, too.

In some of the developing countries, up to half of the children die before they reach the age of six. It is estimated that 35 percent of all children in all the developing Nations die before they reach this age.

Of those who survive, two out of three suffer from malnutrition. Their physical growth is reduced, their mental capacity is impaired.

You have only to see what I have seen this year to recognize the truth in President Johnson's words: "Hunger poisons the mind. It saps the body. It destroys hope, and when men and their families are hungry -- the world is restless and civilization exists, at best, in troubled peace."

The greatest challenge of our age is to banish hunger from the earth in our time.

If we fail, ahead may lie global catastrophe and another Dark Age.

But if we win, our era can be immortalized as the Age of the End of Hunger, and all the succeeding generations of men will bless and revere it.

But how can we win? We alone cannot feed the world. Even our bounty has its limits.

The only road to victory is to defeat hunger on its own grounds -- in the lands where it exists.

But, again, how can this be done? The developing Nations cannot wait

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for the natural process of long-run economic development. They would be overwhelmed by their own population pressures.

Their economic development must be achieved quickly and the change must be of large proportions.

Peasant farmers around the world must be taught better methods of farming rapidly, efficiently. They must be provided with tools and the know-how of using them. They must be given motivation to produce more.

All this is fundamentally a job of education -- not education alone but fundamentally. It is a job of teaching people how to make better use of their land, teaching them how to produce and use fertilizer, teaching them how to create their own agricultural institutions, teaching them how to help themselves.

I stress again that this job of education, to succeed, must be cooperative in every sense of the word -- cooperative between the USDA and the Graduate School, and the Land Grant colleges and universities -- cooperative with the State Department and AID -- cooperative with the State agencies -- and most important of all, cooperative with the developing countries themselves.

I say to you teachers in the Graduate School what Seaman A. Knapp, the father of the Extension Services, used to repeat to county agents and others over half a century ago:

"I want you to feel today that you have hold of one of the greatest lines of social uplift and development and greatness that exists.

"Your value lies not in what you can do, but in what you can get the other people to do."

(more)



Agriculture is in a period of great transition. It is easy to see the transition taking place here in the United States where farm output per man-hour has roughly doubled in the past 10 years.

But transition is taking place all over the world.

While we and certain other developed Nations, and also some of the less developed countries, are making immense agricultural progress, others are falling behind. Asia, Latin America, and Eastern Europe including Soviet Russia, which used to be grain exporters, are heavy importers today. North America and Oceania are now the only two consistent grain exporting regions. India is trying to recover from the severe drought of 1965. Crops are better this year, but just how good they will be still remains to be seen.

On the other hand, preliminary indications are that this year's world wheat crop may be a record high 9.4 billion bushels.

Agriculture is ripe for transition, furthermore, in many of the developing countries where per capita income is slowly rising -- for as income rises, so does demand for food and so also does the profit motivation to produce more food.

These changes are setting the stage for our job of agricultural education.

We know this work bears fruit. We have seen the results in El Salvador where in less than three years a USDA-AID team has helped organize a marketing cooperative, started a supervised credit program, stimulated the use of better seed varieties, and aided in resettling 2,000 farmers on their own land.

(more)

We have seen it in Brazil where a 24-person team has helped establish a market news service which will encourage larger food production, raise farm incomes, and lower marketing costs.

We will soon see it, I am convinced, in Vietnam where we have worked out specific plans for increasing agricultural production and where we will soon have a number of county agents and other agricultural specialists at work.

During the past year, in cooperation with AID, we developed, supervised, and evaluated training programs for almost 5,000 technicians, students, officials and leaders from over 100 countries, including practically all the developing countries.

Some 390 USDA technicians worked through AID-sponsored programs in 39 countries last year -- an increase of about 50 percent in both personnel and countries over the preceding year. AID, I understand, has a total of about 650 technicians carrying out agricultural programs in countries throughout the world.

When I see what these technicians are accomplishing -- and I have seen some of it firsthand -- I can't help but think of the words of Churchill: "Never...was so much owed by so many to so few."

But when I look at these resources in the light of the immense job that must be done, I cannot help but see that our efforts are dwarfed by the need.

But then when I recall again what this handful of experts is accomplishing, and supplement it by the knowledge that their numbers are going to grow in the years ahead, I take new heart.

The Food for Freedom program is now assured.

(more)

It can be -- and I believe will be -- one of the most important programs ever undertaken by this or any other country.

It will take us a further long stride toward eventual victory in the war on hunger. It will provide new tools for helping developing Nations to help themselves. It will provide a more realistic and effective approach to food aid.

Food for Freedom will not be a handout program -- it will be a handup program, a self-help program.

Food for Freedom is a program of lofty ideals. It offers an electrifying vision of long sought improvement in diets and living standards -- a vision capable of gripping the minds of people everywhere. This is its greatest strength -- that it holds out realistic hope. We must show the less developed countries the stake they themselves have in this program. This is what will win their faith, hold their hearts, and fire their imaginations.

Education often seems a slow process, as you educators so well know. But it is the only sure way to the better world we seek.

Our basic goal is clear -- to develop a much more productive world agriculture, to free the world from hunger. The precise methods to achieve the goal in the varied circumstances of the different Nations may not always immediately be clear. The problem may be rather like that of the Frenchman who went into an American restaurant knowing what he wanted but unable to call it by name. He asked the waitress: "Mademoiselle, what is the name of the bird, the cock-a-doodle-doo?"

(more)

"The rooster?"

"Oui, ze rooster. And how is it that you call the madam of the rooster?"

"The hen."

"Oui, ze hen. And who is the child of the madam of the rooster?"

"The chick."

"Oui, ze chick. And what is ze chick before he is ze chick?"

"The egg."

"Oui, I'll have two of heem."

Like the Frenchman, we and the emerging peoples know what we want. It may take a while to get it all worked out. But work it out we will.

And when we do, we shall see, as our White House colleague Walter Rostow once put it: "What man can and will do when the pressure of scarcity is substantially lifted from him. We are the trustees not of civilization...but of the possibilities of civilization."

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87 This, to me, is almost hallowed ground.

For this is the country of Sam Rayburn, surely one of the great political leaders in American history.

Mr. Sam would enjoy being with us today--among the people he loved best--as we dedicate the one thousandth watershed project dam in the Lone Star State which happens also to be in his home Congressional District--the Fourth of Texas.

Mr. Sam would be proud of this dam--this watershed project. Those who knew him best know that Mr. Sam was basically a man who believed in the fundamentals of American life--a man who loved the land and the people--a man who had only one credo: to serve the people.

And because this watershed project will protect and improve the land and benefit the people, it would satisfy his personal criterion about the worth of any public undertaking: "What will it do for the people?"

Mr. Sam would love to be here this day to visit with Roland Boyd and Don Walters and Bill Shirley and Tom West, and with the supervisors of the Collin County Soil and Water Conservation District and the members of the Collin County Commissioners Court.

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Address by Secretary of Agriculture Orville L. Freeman at dedication of Texas' 1,000th watershed project dam, Sister Grove Creek Watershed, McKinney, Texas, at 11:45 a.m. (CST), September 8, 1966.

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The thousandth watershed project dam in Texas!

That hardly seems possible. Especially when you realize that the very first floodwater retarding dam in a small watershed project in the United States was completed in 1948.

Eighteen years ago not a single small watershed project dam had been built. Now, in Texas alone, you are past the 1,000 mark.

It illustrates the speed at which we are moving. It illustrates that this is an age of revolution.

The scientific and technological revolution enables men to walk in space .... and to consider walking on the surface of the moon tomorrow. Machines now produce other machines, operate factories, regulate traffic, write payrolls, and, yes, even talk with other computers doing the same thing.

The scientific and technological revolution has enabled us to enjoy the benefits of abundance in agriculture and to develop the highest standard of living the world has ever known.

The conservation revolution, now just beginning to flower, may be at one and the same time the most important and least understood revolution of all.

It is the most important because it deals with the natural resources upon which all life depends -- soil, water, plants. It is the least understood because the word conservation itself means many things to many people. It is an over-used and abused word. It has become so popular that it is often misused in commercial slogans and advertising copy.

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Conservation in its oldest sense--and perhaps still the predominant definition--means preserving or keeping intact. It means "woodman spare that tree." It means "don't dam that stream." It means "don't shoot the quail and the deer."

Thus, to some, conservation basically means maintaining the status quo.

Ninety years ago there wasn't a single professional forester in the United States and not a single acre of land was under forest management.

The first step in our conservation revolution was in forestry. For many years forestry was the sum and substance of conservation. Get forests under public ownership. Stop wasteful cutting. Stop fires. Regulate grazing. Forestry alone was conservation.

Thirty-three years ago there wasn't a single professional soil conservationist in the United States and not a single acre of land was under scientific soil and water conservation management.

And so we started a national program of conservation on private lands. The main emphasis was on preventing soil erosion. Our conservation ideas then revolved around two major items: forestry on public lands and soil erosion prevention on private lands.

Twenty-nine years ago there wasn't a single soil and water conservation district in the United States and not a single district supervisor. It was then that basic soil and water conservation and land use programs, tailored to fit local conditions, came under the control of the local people by authority of State laws.

Twenty years ago there wasn't a single watershed project in the Nation's upstream areas where half of our annual flood damage and most of our erosion and sediment damage and water losses occur.

Our conservation revolution, once in motion, spread rapidly. And as it has spread, it has broadened in concept--and it is still evolving. For conservation--true conservation--is not static. It is dynamic. It changes as the needs of the people change.

Conservation today means the development, protection, use, and management of all our resources for the needs and enjoyment of all the people.

It means stopping floods that damage town and country in the upstream watersheds and in the major river basins.

It means halting soil erosion and sediment losses that clog our rivers, lakes, and harbors.

It means unpolluted streams and lakes.

It means multiple-use management of our national forests.

It means recreational developments on public and private lands.

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It means beautification of the countryside--more grass, trees, lakes, ponds--lovely landscapes.

It means reseeding of overgrazed and depleted rangelands.

It means new water supplies for industry, domestic use and recreation.

It means fish and wildlife development.

It means camping and hunting and fishing and swimming and picnicking.

It means smogless air.

Conservation means building an economic base in the countryside...one that has both utility and beauty...which will make it possible for millions more to live and work and play in rural America rather than jamming together in our great cities and creating almost insolvable problems.

Conservation means making the best possible use of space.

Seventy percent of Americans now live in only one percent of the space available in the Nation. If the present trend continues, by the year 2000 four out of five Americans will live in metropolitan areas. Two hundred and forty million people will live in only 8.7 percent of the land area, while 60 million will occupy the remaining 91.3 percent.

Do we really want this?

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The time has come to give Americans a choice of where they want to live by giving them a chance to earn a living wherever they want to live. This can only be done by providing rural America with services and economic opportunities equal to those in the big cities. Industry will locate in the countryside because it is good business to do so.

Conservation is a key to providing these services and opportunities. It harnesses the basic natural resources that are mostly underdeveloped and puts them to work for the good of the people. A solid, properly developed and properly managed natural resource base is essential to the welfare and prosperity of a community, a State, a Nation. No civilization ever survived the abuse and mismanagement and eventual loss of its natural resources.

We need only to look at the small watershed project, as developed by the Department of Agriculture, for proof that rural America can provide living and working space for millions more of her citizens.

The first 635 small watershed projects brought to the communities in which they were developed more than 500 new businesses and industries employing nearly 10,000 people. These were jobs that did not exist before.

In addition, nearly 650 businesses and industries expanded and gave employment to an additional 11,000 people.

Actual building of these projects gave nearly 30,000 man-years of employment.

The new businesses were attracted by a newly-created water supply and opportunities for recreation and country living for their employees.

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A watershed project, like all soil and water conservation developments, is an economic shot in the arm. As the pebble cast on the pond, it spirals into countless other economic ripples that weave a new pattern of community growth and prosperity in areas that in many cases were dead or on their way to oblivion.

Yes, conservation is all these things -- and many more.

And conservation -- true conservation -- is for people.

President Johnson expressed this concept in his Message on Natural Beauty in February 1965 when he said:

"Our conservation must not be just the classic conservation of protection and development, but a creative conservation of restoration and renovation. Its concern is not with nature alone, but with the total relation between man and the world around him. Its object is not just man's welfare but the dignity of man's spirit."

At Burlington, Vermont, on August 20, President Johnson said that when he took office he "wanted most of all to be a peace President and to be a conservation President." The President then added: "Now I have become a beautification President as well."

The President, at another point in his Vermont address, said, "We have given the American people 48 major conservation bills in less than two and one-half years that I have been President."

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This is a conservation administration.

And the Department of Agriculture is a great conservation Department. Few Americans realize the magnitude and importance of the conservation work done by the USDA.

We are responsible for administering programs embracing the conservation and development of nearly 81 percent of the Nation's total land ... all the cropland, the grassland pasture and range, and the forest land in the national forests and in private ownership.

We have "first" Federal responsibility with respect to the water that falls on this nearly 81 percent of the Nation's land. We have extensive programs of controlling, conserving, and developing this water where it falls -- in the forests and on the private lands in agricultural and other uses.

We administer 186 million acres of national forests and national grasslands. In addition, we administer Federal programs dealing with the 560 million acres of forest land in private ownership.

We have extensive programs of physical and economic research covering the entire field of natural resources.

These conservation activities account for about \$900 million of the Department of Agriculture's annual expenditures and engage about half of our personnel, some 50,000 persons. (Most of the increase in USDA personnel since 1960 has been in conservation tasks. Fewer USDA employees administer our farm commodity programs today than in 1960.)

Private landowners and operators cooperating with soil and water conservation districts number some 160,000 more than in 1960.

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In 1963, we launched a new and larger program for conservation and development called Resource Conservation and Development Projects. More than 600 project measures are now under way in nearly 20 of these new multi-county projects which are designed principally to enhance the economy of areas that heretofore have been unable to develop their natural and human resources to the fullest extent.

Since 1962, when we began emphasizing income-producing enterprises on farm and ranch lands, we have given technical assistance in establishing 31,500 such recreation facilities.

President Johnson and the Administration have given the highest priority to the problems of water -- its conservation, its development and its management.

In a recent address at Buffalo, N. Y., the President, after pointing out that we waste 20 billion gallons of water each day by pollution, said: "We are determined to preserve our great national water resources. We shall not permit the growing specter of drought, polluted waters, and blighted streams to rob us of our birthright. . . . We shall clean up our polluted rivers and lakes. We shall preserve this national treasure for ourselves and for our children."

Far-reaching legislative advances have been made. The Water Resources Planning Act, for one, will make possible real river basin planning among the States.

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The Rural Water Act will mean modern water systems for thirsty rural communities all over the Nation.

At Burlington, the President said: "I predict that some day the Rural Water Act will be as well known as the Rural Electrification Act, and it will bring as many blessings to the countryside as rural electrification has brought to our rural people."

Incidentally, the Rural Water Act was sponsored in the House of Representatives by a Texas Congressman, the Honorable Bob Poage of Waco.

Other advances have been made in solving water problems.

Since 1960, more than 500 small watershed projects have been authorized for operations. Upstream projects in 35 States include 95 recreational developments designed to serve more than 5 million people a year. Sixty-nine more such recreation developments are in the advanced planning stage.

We are learning more about preventing sediment pollution of our streams and rivers. We have found, for example, that nearly 15 percent of the silt that pollutes our waterways comes from road and highway embankments. By flattening the slopes and planting grasses and shrubs along the roadway, water is conserved, pollution is reduced, and the beauty of our environment is enhanced.

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Based on our experience in small watershed projects, we know that about 70 percent of the sediment damage occurring annually in upstream areas -- which costs the people an estimated \$87.5 million each year -- could be prevented if all the needed dams and land treatment measures were installed in the watersheds suitable for these projects.

Texas has been in the forefront of the conservation revolution from the beginning.

It is interesting to note that the very first dollar ever appropriated for soil conservation by the Congress of the United States -- \$160,000 for research in soil erosion -- was put through by a Texas Congressman, James Buchanan, in 1929.

Texans are accustomed to be first in almost everything. This is true of soil and water conservation activities.

Texas is first in the number of soil and water conservation districts, first in the number of flood prevention projects, first in the number of P.L. 566 small watershed projects, first in the number of watershed dams, first in the acreage of land under conservation management . . . I could go on.

This thousandth dam we dedicate today is one of 37 dams in the Sister Grove Creek Subwatershed of the Upper Trinity Watershed, 36 of which have been completed.

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Red Smith tells me the average annual benefits from the dams and the conservation land treatment in Sister Grove Creek will be an estimated \$190,000 or about \$2.35 for each dollar of cost. How Sam Rayburn would like that!

I understand that flood loss from a 7-1/2-inch rainstorm in September 1964 -- when only 32 of the dams and much less of the other conservation work were completed -- was \$69,000 less because of the structures then installed. If all the work had been completed, the losses could have been reduced by about \$112,000.

Red Smith tells me also that more than \$97.6 million in Federal funds have been spent in Texas for technical and financial assistance to local interests in planning and installing watershed projects under programs administered by the Department of Agriculture.

Texas is not yet a land of "10,000 lakes and a fisherman's paradise," as we say about Minnesota, but hundreds of Texans are working on it.

The record shows that about 800 of your watershed lakes have been stocked with game fish and about 400 of these are open to the public on a free or daily fee basis. Thirty-six are being used by groups or organizations on a club-lease basis. Recreational facilities such as beaches, restrooms, picnic tables and boat docks have been installed on 144 of the lakes. An estimated 637,300 recreation man-days have been spent at these lakes since completion.

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You conservation district supervisors and your cooperators deserve highest commendation. Sixty-three percent of the farms and ranches in the Trinity Watershed have basic conservation plans covering five million acres, and 70 percent of the conservation work has been applied on the land. I doubt if this record can be matched anywhere.

Although your progress in soil and water conservation and watershed protection has set the pace nationally, you are far from finished with the job. The Texas Water Plan shows that 4,000 dams and 942 miles of stream channel improvement are needed in the Texas watersheds considered feasible for project development. Your Upper Trinity Watershed alone needs 1,200 dams and 400 miles of stream channel improvement that will cost \$91.3 million.

So, although you have made a magnificent start, and are out in front nationally in the tremendously important job of protecting, improving, developing, and maintaining basic natural resources, you still have a long way to go.

But I know you will get there. For you are Texans. You have a special feel for the land.

President Johnson spoke of this movingly and eloquently in his State of the Union Message in January 1965, when he referred to the "land where I was born."

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The President said: "It was once a barren land. The angular hills were covered with scrub cedar and a few large live oaks. Little would grow in the harsh caliche soil of my country. And each spring the Pedernales River would flood our valley.

"But man came and they worked and they endured and they built.

"And tonight that country is abundant.....

"Why did men come to that once forbidding land?

"They were restless, of course, and they had to be moving on. But there was more than that. There was a dream -- a dream of a place where a free man could build for himself, and raise his children to a better life -- a dream of a continent to be conquered, a world to be won, a Nation to be made."

These are words that come from deep in the heart of Texas.

These are words of men who always move forward, no matter the odds. These are words of men who get the job done.

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There's a certain affinity between your state and my home state of Minnesota that defies the border-to-border distance that separates us.

You gave us a President.

We gave you a Vice President.

And I like to think we both contributed toward the development of an outstanding Congressman -- your own George Mahon.

You have sole claim to him now. But we did have him at the University of Minnesota for a while back in 1925, and I hope you don't begrudge us a little reflected glory.

Any district with a Congressman who has ascended to such heady heights as the chairmanship of the House Appropriations Committee has a right to be proud, but you of the 19th district can be doubly proud because George Mahon has graced that powerful position with intelligence and sound judgment, and with dignity and decorum far beyond reasonable demand.

You people of the High Plains of Texas can take great satisfaction, too, from this magnificent research foundation here at Halfway, for this is truly living, breathing, creative testimony to progress in American agriculture.

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Address by Secretary of Agriculture Orville L. Freeman at the High Plains Research Foundation's 10th Annual Field Day, Halfway, Texas, at 5:15 p.m. CST Thursday, September 8, 1966.

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The fascinating, rewarding research work this Foundation has done with such basic crops as cotton, grain sorghum, and wheat, with castor beans, sesame seeds, sugar beets and sunflower, with flame weed control, fertilizers, herbicides, insect control, contouring and irrigation has not gone unnoticed by your Secretary of Agriculture, I assure you. Indeed, I have been tremendously impressed.

Equally impressive is the very purpose of this Foundation -- to do today what the farmer will need tomorrow -- for this, too, in a very real sense is a prime purpose of the United States Department of Agriculture.

In the heart of this great cotton and grain sorghum country, your farmers are wondering what's ahead for these two commodities ... wondering what the U.S.D.A. is doing about them and how the U.S.D.A. perceives their future.

Let me open my remarks today with some brief observations:

As you all know only too well, cotton has been in serious trouble ... until recently, dangerous trouble.

Let's examine some recent statistics. On August 1 we had stocks of upland cotton totaling about 16.6 million bales. This is the largest carryover on record. It didn't just happen. It has been accumulating at the rate of about 2 million bales a year for the past five years.

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It became obvious to everyone concerned that decisive action was needed -- and the Congress, with help from this Administration and from many in the cotton industry, responded by establishing a new cotton program under the Food and Agriculture Act of 1965.

The cotton crop being harvested this fall is the first under the terms of the new program ... a program still unproved, but most promising.

It permits cotton growers to keep production in line with current needs without their having to assume the entire financial burden of the adjustment.

It extends to cotton the same type of price support and acreage diversion that has worked so effectively for wheat and feed grains.

Through a lower price support loan rate, coupled with direct payments to farmers who have cooperated by diverting about 4.5 million acres this year, the new program should make cotton more competitive abroad -- and more competitive with synthetics at home -- at the same time it maintains cotton farm income.

Because of grower participation in the new program, surplus cotton stocks will be reduced by about 4 million bales by next August.

The lower price support loan rate should make more American cotton move in world trade at world prices -- and without the necessity of an export subsidy -- and the continued, and improved, one-price cotton system should encourage increased consumption by the farmers' best customer -- the domestic textile mills.

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This is great cotton country. You have counties in this area producing more cotton than some cotton states. In this Congressional district, alone, you produced 12 percent of the total cotton produced in 1965 ... and about 40 percent of the total production in Texas.

I hope you share my optimism. It's too early to say cotton has solved all its problems, but it's certainly not too early to rejoice over the blue patches now peeking through a long overcast sky.

I can report to you, too, that the outlook for grain sorghum has been brightened considerably by the boom in domestic use and exports ... and by the reduction of all feed grain surpluses to a desirable reserve level.

Exports in the current marketing season are nearly two and one-half times greater than the export levels of the early 1960's. We succeeded in keeping grain sorghum competitively priced in world markets at the same time trade groups and the U.S.D.A. were aggressively promoting the use of our grain sorghum abroad.

Now world markets for feed grains are expanding rapidly, particularly in Europe and Japan, and you can rest assured that foreign buyers will continue to seek Texas grain sorghum for their feed needs.

As the surplus dwindles, a larger and larger proportion of export needs for sorghum will come directly from the producer and from other free market stocks, rather than from the Commodity Credit Corporation holdings.

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CCC uncommitted stocks, which in mid-1961 totaled 700 million bushels, were down to 235 million bushels by mid-August of this year. Thus our voluntary feed grain program is accomplishing its expressed purpose: reduce surpluses and return the function of supplying domestic and export needs to the market place -- thanks to the cooperation of the farmers here in Texas and all over the nation.

As the supply-demand relationship for grain sorghum has improved -- so has producers' income. In 1965, cash receipts and feed grain program benefits for grain sorghum producers in Texas topped the \$350 million mark . . . more than double the 1960 level.

With the future of exports brighter than ever -- and with domestic use continuing to increase -- farm income from grain sorghum promises to continue strong.

The actions taken to strengthen the cotton and grain sorghum situations point up, I think, the action-oriented rationale of U.S.D.A. programs under this Administration.

In 1961, we set out to do three things:

- \* Reduce surpluses.

- \* Establish a Food Budget which would gear production to domestic, export and overseas aid requirements.

- \* Increase farm income.

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All three were interlocked.

Let's see how well we've done:

In five and a half years price-depressing surpluses have been all but eliminated. Surpluses of grain, milk, vegetable oil, and rice are nearly gone. In 1961 we had 1.4 billion bushels of wheat on hand. Today carryovers are down to a prudent level of less than 540 million bushels.

In 1961, we had 85 million tons of feed grains on hand. At the conclusion of this crop year we will have reached our target: a carryover of 47 million tons. The cotton surplus, as we have already seen, will be substantially reduced by next year.

The five major farm bills passed in the six years of this Administration, culminating in the far reaching Food and Agriculture Act of 1965, played key roles in successfully encouraging farmers to take unneeded acres out of production, to stimulate increased export trade, to create the first balanced agriculture in half a century, and to increase farm income.

When the last of these farm bills was enacted into law, President Johnson said of the Food and Agriculture Act of 1965: "With this legislation, we reap the wisdom acquired during three decades of trial and error."

It has provided the final flexibility we needed to establish the long-sought National Food Budget, and today we are well on our way to doing just that.

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With this flexibility we can maintain necessary food and fiber reserves without rebuilding costly surpluses.

We can move acres in and out of production with efficiency and economy to assure American consumers an abundance of food at fair prices, to meet commercial export demands, and to honor our overseas aid commitments under Food for Freedom.

Already the Act is demonstrating this flexibility. With our carryovers down to manageable proportions, we are now calling forth more acreage for needed commodities. Wheat acreage will be up nearly a third for the 1967 planting. Rice acreage has been increased by 10 percent. And next year soybean production will climb to a new record of one billion bushels.

To meet new domestic and overseas demands, half our reserve acres may be brought back into production by next year!

World demand for our agricultural products is rising with world population increases.

In the 11 years of Food for Peace we shipped overseas 150 million tons of food valued at more than \$15 billion. This year alone we will provide drought-struck India with a fourth of our total wheat production to save the lives of an estimated 21 million people in that beleaguered nation.

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Food for Peace expires this year, but it will be succeeded by an even-wider ranging program, Food for Freedom, a program which will strike at the root cause of world hunger by encouraging the hungry nations to take the only step which can, ultimately, save them ... develop their own agricultures to feed themselves.

But in the interim, while those nations are learning to grow what they need, we will continue to provide them with the food and the technical assistance they must have ... and this will require massive aid.

On the commercial side, farm exports have risen at a phenomenal rate. For the fiscal year ending June 30, they reached an all-time high of \$6.7 billion, an almost unbelievable jump from the 1960 total of \$4.5 billion. Of even greater significance, is the fact that farm export sales for dollars increased at an equally astonishing rate, climbing from \$3.2 billion in 1960 to \$5.1 billion in 1966.

Today our farmers have become the world's biggest exporters. They supply more than 20 percent of world agricultural trade, and they get a sixth of their income from exports.

We have all but licked the surplus problem at the same time we have saved millions from starvation ... and at the same time we have boosted our agricultural export trade far beyond the most visionary predictions of just six years ago. One would think most Americans would be pleased and proud of this record. And most Americans are. But some, a few, are confused and alarmed by our fast-emptying surplus storage bins and have raised the "Wolf" cry of shortages.

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It is true that we have used up our surplus stocks in meeting the growing food deficit abroad. It is also true that this year we are beginning to draw upon our normal reserves, the second line of defense against food shortages. And it is true that within the past year we have begun to bring back into production our unused cropland -- the world's third ready reserve in the race between food and people.

But it is not true that surpluses have been replaced by shortages.

There is no shortage.

The carryover of wheat on July 1 -- 535,000,000 bushels -- is equal to one year's domestic consumption. Since we've long considered 600 million bushels an adequate reserve, our carryover is, then, almost on target.

With the crop now being harvested, we will be able to meet all our domestic and commercial export needs and we will be able to continue our overseas aid program at a still-generous, if prudently adjusted, level.

Our expected 47 million ton carryover of feed grains on October 1 is also right on our reserve target of 45 million tons, and, again, this will meet all our domestic, export and concessional needs for the year ahead. The same is true of rice, where an estimated carryover of 270,000 tons of milled rice will be the highest in recent years.

And now, before I move on to the subject of farm prices and farm income, let me digress for a moment or two to respond to those who see in the end of surpluses an end to the need for Federal farm programs.

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There are, it seems to me, at least three very good reasons why we can't do away with farm programs yet.

First, we still have a productive capacity far outstripping current demands and our ability to dispose efficiently at home and around the world of that level of output.

Without farm programs, farmers would overproduce again, particularly in the key commodities of feedgrains and cotton, and the surplus problem would be right back on us.

We must not forget that surpluses are down in large part because of the efforts of farmers working through government programs designed to do away with surpluses.

Second, we must have farm programs to ~~key~~ production to the needs of the hungry countries we must aid until they are able to feed themselves. Those who suggest that farm programs can be dropped and the regulation of production left to the "free market" ignore the fact that effective commercial demand does not always reflect real human need. I've said it before, and permit me to say it again: the millions of protein-starved babies in the hungry nations have no buying power in the marketplace.

Third, unless the individual farmer can cooperate with and through his government, he is without a broadly effective means of advancing his objectives in the supply-demand arena, for, acting alone, he does not have the decision-making power to affect a market involving millions of producers. The farmer has very little of the "muscle in the marketplace" that industry for the most part enjoys.

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This, after all, is the indispensable function of a farm program -- to provide a way for the producers of a given commodity to work together to stabilize supplies and prices.

Perhaps the best thing I can say about our system, and I can assure you I recognize that our farm commodity programs are controversial, is that it has worked. American agriculture is without a peer -- and all the world knows it. In science, in space, in education, it is sometimes debated whether the United States or some other country is superior. But in agriculture, "No." The superiority of American agriculture is acknowledged all over the world.

Finally, I would comment here today on the critical question of farm income. What has happened to farm income since 1960?

Any way you look at it, it's up ... dramatically, significantly, encouragingly up.

Net farm income is up nationwide an estimated \$4 billion over 1960. It is expected to reach a total of \$15.7 billion this year.

Please excuse a mildly political aside, but I think it is only fair that I point out in comparison that in the eight years between 1952 and 1960 farm income dropped more than \$2 billion.

Since 1960, realized net income per farm, on a nationwide average, has climbed 60 percent, rising from \$2,956 to an estimated \$4,785 this year ... and per capita farm income has risen from \$1,108 in 1960 to \$1,670 this year.

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In Texas, farm income in 1965, as compared with 1960, was up \$371 million gross, \$77 million net, over \$1,000 net per farm on a state-wide average basis.

We're proud of this record. But we're not satisfied. Not by a long shot.

It won't be good enough until the farmers of America get what they rightfully deserve -- full parity of income with their city cousins. And they haven't got it yet.

Despite the fact that the income gap has been narrowed by 16 percent since 1960, farmers today still earn only two-thirds of what non-farmers earn.

Nevertheless, the gap is narrowing and the income advances made have been most encouraging.

How this improved income was accomplished should be understood, however. True, modest price increases have helped. But most of the income gain was achieved through cooperation with Federal farm programs to reduce price-depressing surpluses, and through increased production efficiency which made it possible for farmers to boost the volume of their marketings.

Research of the kind carried out here by your Foundation and by the dedicated scientists of the USDA made possible an agricultural production efficiency increase which has far outpaced American industrial advances. Farm production efficiency has increased nearly a third since 1960, while the gain in non-farm industry was 18 percent.

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In less than 20 years, crop yields per acre have risen more than 50 percent ... and the production of livestock products per animal unit has gone up more than 40 percent.

Production gains such as these made it possible for farmers to market 10 percent more production in 1965 than they did in 1960.

So, increased marketing volume, plus increased government payments which this year alone will make up about 8 percent of farmers' cash receipts, have played the big role in increased farm income. Without them our family farm system of agriculture would have been destroyed.

Historically, farm prices have never been at as high a level as they should except in time of national crisis.

It was not until the Civil War that farmers enjoyed the economic advance of other segments of American society. It is ironic to recall that that crisis-inspired boom was followed by a long-lasting farm depression.

More recently, throughout the 1930's, farm prices dragged along at a rate well below the 1910-1914 farm price index base of 100, and it was not until World War II that prices regained and surpassed that level. During these years of crisis, and in the post-war reconstruction period in Europe, the farm price index continued to climb, finally reaching a peak of 287 in 1948.

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After that, prices sagged back to the 250 level, not to rise again until the Korean War when a peak of 313 was reached in February 1951. From that point, prices tailed off and rocked along at the 230 to 250 level for the next 15 years.

Since 1960, farm prices have increased 14 percent. But farm cost rates have risen 12 percent during the same period. That 2 percent isn't much of a margin, is it?

Today I come to you in a spirit of optimism and encouragement. to report that farm prices are now at the highest level since November 1952. Right now the index of all prices received by farmers, measured against that base of 100, stands at 272, up two percent from July, and the highest since the Korean War period.

Even more significant is the fact that for the past 12 months the increase in prices received is more than double the increase in prices paid by farmers!

But even though the adjusted parity ratio now stands at 87, seven points higher than a year ago and the highest since 1954, it still isn't enough. It won't be enough until our farmers are earning full parity of income.

The American farmer has provided us with the best diet, at the lowest real cost, in all the world. By virtue of his productive efficiency he has "subsidized" consumers and other businesses ... a "subsidy" amounting to \$8 billion last year alone. I say "subsidized" because this is

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the increased amount the consumer would be paying if farm prices had gone up as much as other items we all buy.

And now the American farmer is beseeched by all humanity to save the world from famine.

Remember, the only times our farmers have received parity -- a return comparable with that of other segments of the economy, and a return which fair-minded people would agree they deserved -- were during periods of national crisis, periods when the entire economy boomed and good-paying jobs were plentiful. Then fair farm prices were absolutely necessary to keep farmers on the land and producing.

Today our economy is healthier than it has ever been. Employment opportunities have never been better. Our farmers are tempted. Some of them, notably dairy farmers, have wearied of waiting for a just return and have taken better-paying, less-demanding jobs elsewhere.

The result? For the past 2 years the number of dairy farmers and the number of milk cows have declined at nearly twice the normal rate of decline. Milk production has dropped. Milk supply is threatened.

We should draw a lesson from this. If we want to keep that "best diet at the lowest **real** cost in the world," as I'm sure we do, we've got to see to it that our farmers are kept on the land producing that abundance for us.

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Research leading to greater production efficiency can never be appreciated enough. It has been and will continue to be a prime mover in the great American agricultural miracle.

Payments to farmers by an understanding Federal government, so that supply and demand stay in balance, may be needed for some time to come.

But significant as these are, appreciated as these are, needed as these are, the job of maintaining American agriculture cannot be done without fair farm prices.

We must, as a very practical measure, meet the competition of the good job opportunities open to American farmers by giving them a fair return for what they give to all of us ... in order to keep them on the land.

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3 U.S. Department of Agriculture  
7 Office of the Secretary

For three interesting, useful days you have directed your attention to the vital question of trade -- particularly agricultural trade.

Tonight I would like to broaden the subject. I come here with a sense of great urgency to talk with you about people and food, about life and about death ... and about prospects for peace in our troubled world.

At this very moment the keening wail of an anguished African mother may be echoing across the veldt. She mourns the death of still another child ... and hopes that the quickening of life she feels within her next year will promise more than grief.

In North Africa, a mother must bear 5 children to make certain one will live to the age of 15.

At this very moment the hollow eyes of a mother somewhere in Asia may be following the halting movements of a ricketed son while her ears attune to the piteous babbling of her retarded daughter.

In certain of the hungry nations, up to half the children die before they are six. Of those who survive, two-thirds are malnourished to the point where their bodies are stunted or their minds left empty.

At this very moment a mother somewhere in Latin America may be drawing a blanket over the still face of her child, a child she has lost to a mild affliction which long ago lost its terror in the United States.

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Address by Secretary of Agriculture Orville L. Freeman at the First Florida-Latin American Agriculture Conference, Carillon Hotel, Miami Beach, Florida, Wednesday, September 14, 1966, at 8:00 P.M. (EST)

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Three hundred times as many children in Latin America die of measles as succumb to it in this country ... for malnutrition leaves a child vulnerable to even minor diseases.

Even in this U. S. with the great abundance of food with which we are blessed malnutrition and even hunger still raise their ugly heads.

If these distressing remarks appear graceless after the meal we have just enjoyed, I offer no apologies.

I offer none because the message I want to leave with you tonight is one so urgent the ordinary niceties must be put aside for the moment.

#### THE THREAT OF WORLD HUNGER

I want to talk to you about the threat of world hunger, the greatest challenge facing mankind today, and of our joint responsibility -- as agriculture leaders -- to meet and defeat that threat.

Let me sum up the problem as briefly as I can.

Unless decisive action is taken, quickly, the grim race between people and food supply will be lost before this century is history.

We are falling behind in that race. Last year the world's food production was the same as it was the year before. But in that one year's time, 63 million more people were added to the world's population.

The post-war population explosion, brought on by scientific advances which help more and more babies get safely through the perilous early years and add extra years of life to the other end of the scale, is unprecedented in mankind's history.

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It took from the beginning of time until the start of this century to put the first billion people on earth. But it took only the last 66 years to add two billion more. By the turn of the new century, today's world population will have more than doubled.

And ... 80 percent of the population explosion is taking place in those countries least able to support more people ... in those lands already unable to feed their own.

History, that greatest of teachers, should have taught us by now that civilizations fall when they are unable to feed their own people. The face of the earth is strewn with relics of those fallen civilizations.

More than a quarter century ago, when we became alarmed about the depletion of soils in our country, the Department of Agriculture sent one of its leading soil scientists on a two-year survey of soil erosion and soil conservation in ancient lands.

Following the trail of the Israelites, he found in Mesopotamia a land where 35,000 square miles of fertile soil had once supported a population of 17 to 25 million people -- but now supported less than 4 million.

At the site of ancient Babylon, he examined the silted-up irrigation canals and water reservoirs and concluded that the neglect of agriculture had decimated villages and cities more effectively than the slaughter of people by invading armies.

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He found the same evidence elsewhere ... denuded hillsides, ruined terraces, silted waterways -- and vanished peoples.

Historians and anthropologists have long been puzzled by the cliff dwellings in our own Southwest. How did this arid land ever support large concentrations of people?

In 1962, archeologists discovered a large and intricate water system built nearly a thousand years ago on top of the Chapin Mesa in Mesa Verde National Park. This water collection, storage and distribution system made possible an irrigated agriculture. And its failure -- either through drought or human neglect or destruction -- brought on the demise of a highly developed civilization.

Today, my friends, we are confronted not with a threat to one people, one nation, or even one continent. The entire world, one world today with modern communication and transportation, is threatened by the impending food shortage. Even those nations with enough to feed their own will have no peace, will have no security, in a world gone mad with hunger.

Already two-thirds of the people of this world go to bed hungry or malnourished while the other third worries about eating too much. In this day and age, no less than 10,000 people a day perish from disease and malnutrition.

Is there then hope in the face of such a calamitous threat? Yes, there is hope. More than that, there is even reason for optimism.

We can find the guidelines to survival by turning once again to history.

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History teaches us what most contemporary economists are only now recognizing -- that a healthy, viable, sustained agriculture is the first and foremost requisite for full economic development -- and survival -- of any nation.

Agriculture is a source of food for the city population as well as the grower. It permits a nation to feed its urban centers without complete dependence on external food aid which otherwise chews up the scarce foreign exchange necessary to finance economic development.

Agriculture provides many of the raw materials industry must have.

A thriving agriculture permits the rural populace to become part of the market economy of a nation -- providing necessary buying power so industry can sell its products and grow.

Agriculture provides a major source of foreign exchange earnings. A more diversified agriculture increases and makes more stable the real return from exports. Such earnings provide the essential capital for development of all sectors of the economy.

Once the overriding importance of agriculture to any nation's economy is understood, there is only one course to follow. Agricultural development must command top priority if the war on hunger is to be won ... and if the world is to achieve lasting peace through social and economic development.

At this time in world history it should be apparent to everyone that only the hungry nations can save themselves. They must do it with their own hands and their own lands; with their own reliance and their own resources; with their own courage and their own crops; with their own wisdom and their own will.

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But they cannot do it alone. And it can't be done today, or tomorrow, or next year. It will take time. It will take encouragement. It will take food aid and technical assistance. In short, it will take all the help more fortunate nations can give to fill the gap in food, fiber and advisory needs until that historic point in time when the hungry nations have developed their own agricultural programs enough to produce, or buy, what they need to survive and prosper.

### THE CHALLENGE TO LATIN AMERICA

I came here tonight for a very special reason. I came here in the cooperative spirit of the Alliance for Progress to challenge Latin America through you. To challenge her to muster and master her tremendous resources in order to provide leadership in the war on world hunger.

This country is willing to do all it can. But what the United States can do is limited. The world needs your help. The war on hunger will not be won without effective leadership in Latin America.

The United States has used up its surplus stocks in helping to meet the food deficit abroad. Under our Food for Peace program, we have shipped to needy and disaster-struck nations 150 million tons of food, valued at more than \$15 billion, in the past 11 years. There has been no famine in the world since 1942. Wherever disaster has struck American food has provided succor almost within hours.

Now, this year, we are beginning to draw upon our normal reserves, the second line of defense against food shortages. And we have begun to bring back into production our unused cropland ... the world's third ready reserve in the race between food and people.

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The elimination of our surplus grains, the realization that the U. S. and the other so-called developed nations cannot continue to feed the hungry world forever, and the recognition that self-help is the only real key to survival for the dependent nations have combined to reshape the United States' food aid policy.

Now pending before Congress is the successor to the Food for Peace program ... Food for Freedom.

**Contrary** to what you may have heard, Food for Freedom does not signify a hardening of our food assistance policy. It does signify a determination on our part to provide the only kind of assistance which can win the War on Hunger.

Under this program, the United States will provide increased technical and capital assistance, along with food, to help those nations which demonstrate a determination to undertake effective programs to increase their own ability to feed their own people.

The best provisions of Food for Peace have been retained, but Food for Freedom differs in two key respects from its predecessor. First, there is the "self-help" requirement which I've already discussed.

Second, the surplus requirement which limited Food for Peace aid to those commodities which we had in oversupply will be replaced in Food for Freedom by a much more practical, much more flexible, and, in a very real sense, much more humane and economical, emphasis on producing what is needed, rather than shipping what happens to be in oversupply.

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The new flexibility of American farm programs now makes it possible for us to call forth -- not just the quantities of food needed -- but the kinds and qualities of food most in need here in the United States and around the world ... for both commercial and concessional purposes.

So ... we will do all we can. But not even the United States, with all our abundance, and together with the rest of the so-called developed nations, can win the war on hunger without Latin America. The world needs your help. And you have so much to offer.

#### LATIN AMERICA'S POTENTIAL

With the vast untapped food resources that are yours, Latin America has the potential to feed not only its own growing population, but also to contribute significantly to the world-wide effort to defeat hunger.

Recently, I visited the rich lands of Parana and the vast "campo cerrado" area of Central Brazil. I have seen the quality of research and extension activities that have been developed at Chapingo in Mexico. I have seen what a sound, supervised credit program has accomplished in Maracay, Venezuela.

With such potential, Latin America can play a major part in leading the world to peace and plenty.

Of course there are tough problems. And we must face them frankly and resolutely.

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Latin America has the fastest rate of population growth in the world. Some ten years ago the populations of North America and Latin America stood equal at 170 million each.

The United Nations now projects a population for North America at about 300 million by the year 2000. The same projection for Latin America indicates that your population will reach almost 600 million by that time! If that projection is correct -- and it will approximate this level even if steps are begun to slow its growth -- there may be more than 340 million new mouths to feed in Latin America by the turn of the century:

Measured against this soaring population and the accompanying demand for more and more food, what has been happening to agricultural production in Latin America?

So far you've been running hard just to stay in one place. While agricultural production has gone up, the increase has been wiped out by new bodies calling for more food. Food supplies per capita remain near the 1959-61 level -- when 14 countries of the Hemisphere were deficient in caloric intake. Current per capita production is lower than in pre-war years, when Latin America was a major exporter ... not importer ... of food.

This despite the fact that some very important steps have been taken to accelerate agricultural development in Latin America.

New lands have been opened to cultivation. Thousands of poor farmers have settled on them.

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Institutions for agricultural research and extension and agricultural credits have been developed.

Thousands have been trained in vocational agricultural schools. Others have been sent abroad for further study.

In a few countries, fertilizer production is growing. In some countries price incentives have been formulated to encourage farmers to produce more.

Wherever, and however, possible, the United States has tried to help. Through the USDA's International Agricultural Development Service, working in close cooperation with the Agency for International Development, we sent 300 scientists and technicians to 39 countries in Latin America, Africa and Asia last year.

In Latin America alone, we have more than 50 resident technicians assisting your governments and your people in agricultural development. And more than 75 short term consultants were used to backstop these technicians and work with host governments on specific problems.

USDA specialists and technicians are working in such places as Brazil, El Salvador, Ecuador, and Nicaragua on such projects and problems as agricultural planning, land tenure, credit, farm management, marketing, economics and improved varieties.

We were particularly pleased that Dr. E.T. York, Provost for Agriculture at the University of Florida -- and one-time director of the Cooperative Extension Service -- could study agricultural development in Nicaragua for us in partnership with his colleague, Dr. Hugh Popenoe. Their report and recommendations have been closely followed.

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Commendable as these joint efforts are, I know you would be the first to agree that they are not enough. The great countries represented here have the resources to make a dramatic and decisive change from the past ... to make Latin American agricultural development a challenging example for the entire world.

In a world where rich new land is at a premium, Latin America has millions of unused, virgin acres.

With the world standing in the shadow of the spectre of famine, I urge tonight that a priority must be established in Latin American countries ... a priority of agricultural development ... above all other efforts.

This, then, is an opportunity and a responsibility that you, as statesmen and as agricultural leaders, will, I know, seek to meet. It is up to you to convince your respective governments that agriculture must be given primary consideration, must be given the prestige, the influence ... the top production priority necessary if Latin America is to feed its own people and give leadership in the struggle to banish hunger from this earth.

What then must be done?

Time permits only that I cite those needs which I believe demand immediate attention:

First, strengthen and upgrade the institutions that provide agricultural services.

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The Ministries of Agriculture should be the central, coordinating agency, covering the services concerned with conservation, research and experiment, extension and vocational agricultural training, and agricultural credit and cooperative organizations.

These institutions must be grouped together and given much more prestige and recognition and resources than they have had before. Personnel who have the necessary technical and administrative skills must be selected, trained, and retained.

Marketing facilities and systems must be substantially improved to hold down costs and reduce waste in the movement of foods from farm to consumer. Current food distribution practices in most Latin American countries -- in fact in most countries everywhere -- are shockingly wasteful and inefficient.

Second, improve public policies that affect agricultural production and food distribution.

Public policies must be formulated and carried out to provide incentives to agricultural producers. Such policies must provide reasonable and stable income to the farmer. Prices must encourage the use of fertilizer and other inputs to achieve higher yields.

Needed, too, are tax policies to stimulate a fuller and more intensive use of land resources. Export levies inhibit increased production and, ultimately, reduce government revenues.

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Policies are needed to encourage more public and private investment in agriculture and related industries. This would require earnings for agricultural investors that encourage, rather than discourage, more production.

In short, all public policies must be linked to a new, dynamic agricultural technology.

Third, integrate rural populations into national market economies.

The incomes of small farmers and farm workers in most Latin American countries should be increased. Efforts need to be intensified to establish economic-sized family farms, owned by those who work them, so farmers will have an incentive to innovate and improve their farming practices.

In Latin America, as in the United States, opportunities must be found for employment in rural areas for those who are unemployed or underemployed in farming.

Rural populations must have opportunities for the education and health facilities so long lagging -- facilities which will increase their ability to live a fuller more productive life in a technological society. They also want, and deserve, recreational, social, and cultural opportunities comparable to those of urban centers.

Once integrated fully into the market economies of their countries, rural people will be able to sustain their own manufacturing, recreation, and service industries -- all of which contribute to overall national economic growth and health.

(more)

Fourth, gear production to market needs -- particularly to meet present and projected food shortages.

As agricultural leaders, you recognize, I'm sure, that present world production levels of most Latin American major cash commodities -- coffee, sugar, ~~cacao~~, cotton -- are in excess of world demand and that prices of these commodities are depressed.

The USDA has recently concluded an agreement with the Agency for International Development whereby our Economic Research Service will undertake a long-needed study on prospective world demand for these kinds of products. The study will take into account population and other factors through the year 1980.

This study should help those countries, where such products are a principal source of foreign exchange earnings, guide their agricultural planning and the allocation of resources for the future. We expect that the findings of this research will begin to be available by June of 1967.

But certain things we all know now:

It is hardly good planning for countries to build surpluses of commodities now bringing low prices because of excess world supply at a time when some of those same acres could be used to grow the food they now must spend precious foreign exchange to import.

It is revealing to note that in most Latin American countries yields of cash crops such as sugar, cotton, and coffee are comparable to those of highly advanced agriculture in the United States, while yields of the food crops so desperately needed to fight off starvation seldom exceed one-third of average U. S. yields.

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It is hardly far-visioned to commit resources and energies to produce more food without taking related steps to reduce a 30 to 40 percent loss in marketing food crops -- losses due to gross inadequacies in marketing facilities and the system of moving products from farm to consumer.

I don't presume at this time to offer specific, detailed recommendations. Exactly how these things can be done, how the correct mix is attained, will, of course, vary from country to country. But of this I am convinced. An action package of the kind I've indicated is of crucial importance if the world is to win the war on hunger.

I hope you will understand that I speak strongly tonight, because I am deeply concerned. Time is of the essence.

That is why I am here. I speak for a hungry world when I ask your help. I speak for a hungry world when I urge you to waken the sleeping giant that is Latin American agriculture while there is still time to save mankind from famine.

I ask you to join with the United States and all the nations determined to win the war on hunger, for the contribution Latin America can make is of crucial importance. It can be magnificent in its ultimate dimensions.

The spirit of the Alliance for Progress challenges and inspires us to work together ... to achieve what we could not hope to achieve working alone.

(more)

President Johnson's concluding remarks in his speech observing the fifth anniversary of the signing of the Charter of the Alliance for Progress are particularly appropriate to tonight's occasion, and I would like to close by quoting him:

"A meeting like this," he said, "does not in itself change the conditions in which we live. But if it changes us, if it renews our confidence in one another, if it inspires us and gives us strength to carry on and continue the grueling and challenging work that peaceful change requires, it will have served its purpose and met its responsibility."

I believe this has been that kind of meeting.

Thank you and good night.

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U.S. DEPARTMENT OF AGRICULTURE  
Office of the Secretary

SEP 29 1966

C & R-ASF

37 I'm happy to be with you as you start your annual conference.

If Don Williams had not asked me to speak to you, I would have wanted to come here anyhow .... if only to thank you ....

To thank each of you for the valuable contributions you have made to the Department's programs during the past year ....

To especially thank those of you who have done so much to make my recent trips to your States pleasant and memorable. Believe you me, I know that local program arrangements take a "heap of doin'" and that behind the scenes is leadership of the "can do" variety.

I have still another reason for being here that isn't connected with your Administrator's invitation.

It is my pleasure to announce authorization of planning assistance to six new Resource Conservation and Development Projects.

They aggregate about 20 million acres.

They are in the States of Illinois, Louisiana, New York, South Carolina, Texas, and Utah. I am directing the Soil Conservation Service to give planning assistance to the local sponsors of these six RC&D Projects.

The details are being made available today to the news media.

Remarks of Secretary of Agriculture Orville L. Freeman at annual conference of State Conservationists of the Soil Conservation Service, USDA, at the Annapolis-Manger Hotel, Washington, D.C., at 9 a.m., September 26, 1966.

This brings to 26 the number of RC&D Projects approved for planning or operations. Eighteen have been approved for operations. Two more will be approved very shortly.

We launched the RC&D Program, as you know, early, in 1964. It is quite remarkable, I think, that so many projects have been initiated in so short a time. Much of the credit belongs to the "can do" variety of behind-the-scenes leadership typified by the State Conservationists of the Soil Conservation Service.

RC&D Projects are a part of the new look that, working together, we have given to conservation and rural development.

This "new look" has many faces.

It is broadening our programs of assistance to soil and water conservation districts.

It is accelerating the small watershed program and emphasizing multipurpose development watershed projects.

It is assisting in recreational developments on private lands.

It is emphasizing beautification of the countryside, in all our work, and by those with whom we work.

It is creating better rural facilities, such as ample water supplies, so that industry will be attracted away from the alarming density of our spreading cities.

(more)

USDA 3045-66

It is doing everything within our power to make rural America a place where millions more of our citizens can live, and work, and play.

It is eliminating the causes of rural poverty.

It is strengthening the family farm pattern of agriculture.

It is establishing a reservoir of experience which the developing Nations of the world--largely rural and agrarian--can adapt.

These are some of the many faces of the 'new look' we have given to conservation and rural development.

They show that our concept of conservation has been growing and taking new form as was so ably expressed by President Johnson in his Message on Natural Beauty in February 1965 when he said:

'Our conservation must not be just the classic conservation of protection and development, but a creative conservation of restoration and renovation. Its concern is not with nature alone, but with the total relation between man and the world around him. Its object is not just man's welfare but the dignity of man's spirit.'

In developing this new concept we have done well, I think .... so far.

Three-fourths of the Nation's 3,000 conservation districts have accepted my offer to broaden their programs. They have keyed their programs to economic development. They now give special attention to recreation, fish and wildlife, beautification, forestry, watershed projects, water supply, and land use changes in rapidly developing rural fringe areas.

More than 34,700 land owners and operators have established one or more income-producing recreational undertakings. More than 3,200 have changed their total operations to include recreation as a primary source of income.

Watershed projects have breathed life back into struggling rural areas. Some 786 have been authorized for operations. Of these, 498, or 62 percent, have been authorized since 1960.

Under the broadened watershed program authority, 95 communities in 31 States will get water-based recreational developments that will be used by more than 5 million people a year. In addition, thousands of private recreation enterprises such as fishing lakes, camping and picnic areas, vacation cottages and cabins, have come into being with small water impoundments on private land as their principal attraction.

Multipurpose watershed projects have expanded rapidly. Today 358 of the watershed projects authorized for operations have dual or triple objectives including municipal water and recreation as well as flood prevention.

This compares to 78 multipurpose watershed projects in 1960.

At our recommendation the maximum size of watershed dams for flood prevention purposes was increased in 1965 from 5,000 acre-feet to 12,500 acre-feet to better meet the needs of multipurpose watershed development.

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USDA 3045-66



Yes, by most measurable standards we have done a pretty good job. At least we are on the right track. And we are moving ahead.

But it is later than we think.

And we are not moving fast enough.

The job we have to do in attempting to control our environment and to adapt it to human needs for tomorrow and next year and a hundred years from now is an urgent and demanding one. The need is tremendous. We can build the Great Society that our creative, hard-driving President challenges us to achieve. But in order to do so, we must conquer some grave threats.

It now seems quite likely that the increase in world population between now and the end of this century will equal or exceed the number who now inhabit the earth.

This means we must be prepared to feed one billion more people in the next 15 years.

This means the soil and water resources of the United States must be developed, protected, and geared for sustained use.

This means, over the long haul, using each acre of land in the way for which it is best suited and treating it in accordance with its needs for sustained use.

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USDA 3045-66

This means harnessing our basic natural resources, many of which are underdeveloped, and putting them to work for the good of all the people ... here and throughout the world.

This means sharing our knowledge and our know-how with underdeveloped Nations where the struggle for daily bread often consumes up to 90 percent of the spendable income.

This is our world of the mid-1960's.

For us, the world begins with these wonderful United States of ours---this land of the free. If we would help make the world prosperous and peaceful, we must ourselves be strong---not only militarily, which everyone takes for granted, but perhaps more importantly---and this is less understood---our resources of land and water must be strong to produce food and fiber in adequate amounts not only to sustain life itself but to keep turning the wheels of industry and commerce ... to assure the amenities that make life more joyful, and at the same time to provide resources with which to help less fortunate peoples around the world. Only if they have adequate resources will they sustain hope and the desire to better themselves; the alternative is despair--and that destroys rather than builds.

We have reached a point in time where momentous decisions must be made ... and massive actions taken.

Are we as strong as we should be--this great America of ours--this land of breathtaking vistas--when 70 percent of us occupy 1 percent of the available space?

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USDA 3045-66

Are we as strong as we should be when we are still losing the equivalent of 400,000 acres of good land a year from erosion and other forms of soil deterioration?

Are we as strong as we should be when more than a billion dollars a year in flood damages--much of it preventable--still occur in our upstream watersheds?

Are we as strong as we should be when we still pay a bill of 87½ million dollars a year for sediment damage in upstream areas--70 percent of which could be prevented if small watershed projects were installed in all places they are needed?

Are we as strong as we should be when each year we permit 1-1/3 million acres of our very best land--the prime land on which food and fiber can be produced most economically--to be taken out of agriculture forever and buried under the concrete of highways, airports, subdivisions, factories, and the like?

Originally, America was an agrarian Nation. Our strength was in the countryside. We were a Nation of farmers and ranchers and, in the homesteading days, of sodbusters.

Today we are an urban society. Our country people migrate into the great cities looking for opportunities that no longer exist in rural America.

We must restore those opportunities.

We must give direction, purpose and hope to rural America.

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USDA 3045-66

We must encourage more rapid rural industrialization and expansion of commercial enterprises in rural areas to provide new employment and other nonfarm economic opportunities.

We must eliminate the causes of rural poverty.

We must do these things within the framework of our fundamental free enterprise principles. We must move economic opportunity into rural areas. We must use land, not idle it. We must use our resources in ways that conserve, and serve the needs of all people, rural and urban.

This we call conservation and rural development.

You have a key role in it.

Your opportunities to serve are infinite.

Each of you heads the work of an active, respected and accepted resource conservation and development agency within a State--the Soil Conservation Service--now in its 31st year as a permanent agency of government.

Collectively, you currently have under your direction some 15,000 full-time, well-trained conservationists who work closely with the people on the land.

Collectively, you and your employees work closely with and are in position to inform and influence the 15,000-odd members of governing bodies of the Nation's soil and water conservation districts and their 2 million cooperators.

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USDA 3045-66



Collectively, you and your staffs work closely with and are in position to influence officials of State conservation and resource and other agencies.

Collectively, you and your associates at the State level are in position to furnish information to and thereby influence the Governors and the State Legislatures on behalf of a better rural America.

Would that I, limited as I necessarily am to spreading myself across the 50 States as sort of a pleader and urger, had your opportunities for action!

Would that I had the opportunity to be the conservation leader in a State!

I envy you, your position and your opportunities.

I urge you to take full advantage of them.

I need not tell you a watershed project is more than land treatment and flood prevention and channel improvement. You know it is an economic shot in the arm that serves as a base for development of a community which may perish otherwise as an economic unit.

I need not tell you that a Resource Conservation and Development Project is more than any of its component parts--that its potential is unlimited.

And I need not tell you that the benefits of a conservation plan installed on a farm or ranch or a group of farms and ranches spread to the far corners of the community. Multiplied, they are Nationwide.

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USDA 3045-66

But perhaps I do need to point out that resource conservation itself, while necessary as a base on which to build, is not in itself total rural development.

And it is not your total job.

Your job doesn't end with helping to get the dam built, the terrace system installed, the water supply developed, the recreation area under way.

These are the beginnings of rural development, not the end.

Total rural development, to which you should address yourselves, includes highways, parks, libraries, industries, schools, hospitals, water or sewer systems--all the things people need to make country living as feasible and attractive as urban living.

Lift your sights above the humdrum of the daily job. Stand back so you can see the big picture.

And then go to work on it -- the total job -- with the same zeal you have always shown for soil and water conservation.

I am convinced that what we do in the next few years to rediscover and redevelop rural America--from whence sprang our strength as a Nation--can have a far more profound effect on our future well being--and that of the world--than all the explorations in space.

No other group has a greater opportunity nor a greater responsibility in this crusade for a better rural America than this group.

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USDA 3045-66

You are the inheritors of the mantle of Hugh Bennett, that great American who won the fight against heavy odds for national recognition of the menace of soil erosion--the fight that led to establishment of the Soil Conservation Service and soil conservation districts and watershed projects and all the other great conservation programs we have today.

Hugh Bennett's battle is far from won.

Changing times have brought new and even greater challenges.

Hugh Bennett would urge, as I do, that now is the time for you to again become the crusaders you were 30 years ago when a Nation was alerted to the dangers of soil erosion and duststorms.

The question this morning is not: Can you do it?

The question is: Will you do it?

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UNITED STATES DEPARTMENT OF AGRICULTURE

Niles DU 8-6043  
Clark DU 8-4026

Washington, Sept. 28, 1966

USDA Food Programs Benefited Millions During Fiscal 1966:

Secretary of Agriculture Orville L. Freeman reported today that the U.S. Department of Agriculture's food aid programs helped more people in the United States in fiscal year 1966 than the year before. The figures were 26.4 million people for fiscal 1966 compared with 25.4 million in fiscal year 1965.

An increase in the number of school children receiving donated foods was greater than the decrease in the number of people in needy families getting help from either the food donation program or the food stamp program. There was virtually no change in the number of needy children and adults in charitable institutions who got donated foods.

Expansion of the food stamp program doubled the number of members of needy families getting help from this source; but this was more than offset by the drop in needy family members getting donated foods, resulting in part from increased employment.

As fiscal 1966 ended, the food donations program to schools, needy families, and charitable institutions was functioning in all 50 States, Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

Total USDA food donations during the year ending June 30, 1966, came to more than 1.5 billion pounds compared with about 2 billion pounds a year earlier. Schools, during the comparable periods, received 543.0 million pounds against 661.5 million; institutions received 145.2 million pounds against 172.3 million; and needy families received 854.9 million pounds against 1.1 billion. The school totals do not include additional food that USDA's Consumer and Marketing Service purchased for and distributed exclusively to schools participating in

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USDA's National School Lunch Programs. In fiscal year 1966, such purchases came to more than 244.3 million pounds. The food donations for child feeding are in addition to cash assistance of \$141.1 million for school lunches and \$100 million for the Special Milk Program.

The Secretary noted that donated foods, which USDA acquires in its price-support and surplus-removal activities, vary from time to time. Consequently, some foods may not be available for extensive distribution during any given period. The large quantities of beef and cheese, distributed in fiscal 1965 from surplus-removal operations, were not available in 1966. This fact, along with the reduced needy-family, food-donations caseload, account for a drop of some 43 percent in the value of total donations during fiscal 1966 compared with a year earlier.

State and local governments cooperate with USDA's Consumer and Marketing Service to bring these food-assistance programs to needy people in families and institutions, and to school children. The foods are always available to feed victims of natural disasters on a priority basis. During fiscal 1966, USDA food benefited victims of floods, hurricanes, tornadoes, blizzards, and a typhoon that struck American Samoa on January 30. American Samoa was still receiving USDA food on a disaster basis at the close of fiscal 1966.

The following table shows the number of needy persons in family units receiving donated foods in June 1966:

Alabama.....	121,330	Massachusetts..	40,968	Puerto Rico.....	591,421
Arizona.....	82,223	Michigan.....	118,875	Rhode Island....	7,443
Arkansas.....	85,503	Minnesota.....	45,810	South Dakota....	28,052
California.....	25,577	Mississippi....	445,705	Tennessee.....	51,194
Colorado.....	18,629	Missouri.....	83,179	Texas.....	143,128
Connecticut.....	900	Montana.....	14,530	Utah.....	13,216
Delaware.....	24,869	Nebraska.....	13,978	Vermont.....	10,274
Florida.....	93,371	Nevada.....	1,703	Virginia.....	8,273
Georgia.....	97,288	New Hampshire..	7,254	Virgin Islands..	3,435
Idaho.....	4,286	New Jersey.....	11,706	Washington.....	61,257
Illinois.....	74,118	New Mexico.....	36,319	West Virginia...	56,720
Indiana.....	45,274	New York.....	454,645	Wisconsin.....	43,301
Iowa.....	56,322	North Carolina.	121,236	Wyoming.....	5,974
Kansas.....	24,495	North Dakota...	14,466	Trust Territory.	1,271
Kentucky.....	119,651	Ohio.....	68,597	Samoa, American.	2,733
Louisiana.....	35,505	Oklahoma.....	232,179		
Maine.....	20,215	Oregon.....	38,924		
Maryland.....	56,201	Pennsylvania...	115,546	TOTAL.....	3,879,069

The following tables show totals of food acquired under price-support and surplus-removal operations and donated for domestic distribution during fiscal 1966 by commodity and cost with comparisons for the previous fiscal year:

COST OF FOODS DONATED FOR DOMESTIC USE  
FISCAL YEARS 1965 and 1966

Commodity	Schools		Institutions		Needy Persons		Total	
	Fiscal 1965	1/ Year 1966	Fiscal 1965	Year 1966	Fiscal 1965	Year 1966	Fiscal 1965	Year 1966
				Million Dollars				
Beans, Dry	2.2	1.2	.4	.2	5.1	2.6	7.7	4.0
Beef, Cd. Nat. Jces.	.2	.3	--	--	66.8	36.9	67.0	37.2
Beef, Froz. Gr. & Roasts	96.3	.6	4.3	2/	--	--	100.6	.6
Bulgur	.1	.1	.1	.1	.1	.1	.3	.3
Butter	60.5	59.7	9.1	4.6	21.6	14.2	91.2	78.5
Cheese	20.1	5.0	4.6	.5	30.1	2.2	54.8	7.7
Cherries, Cd.	--	1.2	--	--	--	--	--	1.2
Cherries, Frozen	--	.2	--	--	--	--	--	.2
Corn Meal	.7	.7	.2	.2	4.8	4.2	5.7	5.1
Date Pieces	.5	2/	--	--	--	--	.5	2/
Eggs, Dried	1.4	.1	.3	.1	12.1	.1	13.8	.3
Flour	9.4	10.8	4.3	4.2	14.7	12.9	28.4	27.9
Grits, Corn	2/	2/	2/	.1	.4	.7	.4	.8
Honey	--	.4	--	--	--	--	--	.4
Lard	4.9	3.0	1.4	.8	9.0	3.9	15.3	7.7
Margarine	--	--	.8	1.3	2.7	3.7	3.5	5.0
Meat, Cd. Chopped	2/	.6	--	--	17.9	10.7	17.9	11.3
Milk, Nonfat Dry	4.9	5.1	2.4	2.0	20.8	17.4	28.1	24.5
Olives, Cd.	1.4	2/	--	--	--	--	1.4	2/
Onions	--	2/	--	2/	--	--	--	2/
Orange Jce. Conc.	--	2.1	--	--	--	--	--	2.1
Peaches, Fresh	--	2/	--	.3	--	--	--	.3
Peanut Butter	4.1	3.9	--	--	8.3	7.0	12.4	10.9
Pears, Fresh	.5	--	--	--	--	--	.5	--
Peas, Dried Split	.1	.3	.1	.1	.6	1.4	.8	1.8
Pecans, Shelled	--	1.1	--	--	--	--	--	1.1
Plums, Cd.	--	2/	.1	--	--	--	.8	2/
Plums, Fresh	2/	.1	.5	.4	--	--	.5	.5
Potatoes, Sweet	--	.2	--	.1	--	--	--	.3
Prunes, Dried Cd.	2.0	2.3	--	--	--	--	2.0	2.3
Raisins	--	1.5	--	--	--	--	--	2.9
Rice	2.4	3.0	.9	.9	9.1	7.9	12.4	11.8
Shortening	--	3.3	--	--	--	4.4	--	8.6
Turkeys, Frozen	--	9.5	--	--	--	--	--	9.5
Wheat, Rolled	.5	.6	.3	.2	2.8	2.3	3.6	3.1
Total	212.9	116.9	29.8	17.0	226.9	134.0	469.6	267.9

1/ These data do not include foods bought under Section 6 of the National School Lunch Act and distributed to schools participating in the National School Lunch Program.

2/ Less than \$50,000.



SEP 29 1966

QUANTITIES OF FOODS DONATED FOR DOMESTIC USE  
FISCAL YEARS 1965 and 1966

C & R-ASF

Commodity	Schools 1/		Institutions		Needy Persons		Total	
	Fiscal 1965	Year 1966	Fiscal 1965	Year 1966	Fiscal 1965	Year 1966	Fiscal 1965	Year 1966
					Million Pounds			
Beans, Dry	27.4	15.1	4.6	2.7	63.8	32.9	95.8	50.7
Beef, Cd. Nat. Jces.	.4	.5	--	--	130.6	71.9	131.0	72.4
Beef, Froz. Gr. & Roasts	151.8	.9	6.8	2/	--	--	158.6	.9
Bulgur	1.7	1.7	1.1	.9	1.7	2.0	4.5	4.6
Butter	99.3	95.7	15.0	7.4	35.6	22.7	149.9	125.8
Cheese	50.9	13.0	11.6	1.2	76.2	5.8	138.7	20.0
Cherries, Cd.	--	9.7	--	--	--	--	--	9.7
Cherries, Frozen	--	1.5	--	--	--	--	--	1.5
Corn Meal	18.3	19.6	6.9	5.9	128.5	112.9	153.7	138.4
Date Pieces	2.5	2/	--	--	--	--	2.5	2/
Eggs, Dried	1.3	.1	.3	.1	11.3	.1	12.9	.3
Flour	163.2	182.0	75.8	70.8	255.4	217.5	494.4	470.3
Grits, Corn	.6	.7	1.1	1.4	9.2	12.9	10.9	15.0
Honey	--	2.0	--	--	--	--	--	2.0
Lard	31.3	18.8	8.9	4.8	57.9	24.4	98.1	48.0
Margarine	--	--	5.0	8.0	17.7	22.9	22.7	30.9
Meat, Cd. Chopped	.1	1.1	--	--	48.8	22.4	48.9	23.5
Milk, Nonfat Dry	30.1	32.0	14.6	13.0	127.4	110.3	172.1	155.3
Olives, Cd.	4.0	.2	--	--	--	--	4.0	.2
Onions	--	.4	--	.1	--	--	--	.5
Orange Jce. Conc.	--	8.7	--	--	--	--	--	8.7
Peaches, Fresh	--	.3	--	3.7	--	--	--	4.0
Peanut Butter	--	--	--	--	--	--	--	--
Pears, Fresh	14.3	14.5	--	--	28.9	25.7	43.2	40.2
Peas, Dried Split	5.8	--	--	--	--	--	5.8	--
Pecans, Shelled	1.5	3.3	1.1	1.6	7.4	17.4	10.0	22.3
Pecans, Cd.	--	1.5	--	--	--	--	--	1.5
Plums, Cd.	8.4	2/	.8	--	--	--	9.2	2/
Plums, Fresh	.1	.5	4.0	3.5	--	--	4.1	4.0
Potatoes, Sweet	--	4.5	--	1.3	--	--	--	5.8
Prunes, Dried Cd.	15.1	16.5	--	--	--	--	15.1	16.5
Raisins	--	10.5	--	--	--	--	--	20.5
Rice	25.6	30.7	9.7	9.1	95.1	80.7	130.4	120.5
Shortening	--	18.7	--	5.1	--	25.0	--	48.8
Turkeys, Frozen	--	29.3	--	--	--	--	--	29.3
Wheat, Rolled	7.8	9.0	5.0	4.6	45.0	37.4	57.8	51.0
Total	661.5	543.0	172.3	145.2	1,140.5	854.9	1,974.3	1,543.1

1/ These data do not include foods bought under Section 6 of the National School Lunch Act and distributed to schools participating in the National School Lunch Program.

2/ Less than 50,000 pounds.



U.S. DEPARTMENT OF AGRICULTURE  
Office of the Secretary

On Wednesday of this week, the President of the United States issued an executive order of major importance. Yet it went almost unnoticed.

Nowhere did I see it featured on the front pages of newspapers. Never did I hear it get the broadcast headlines.

Why? Because this Nation has become so urban-oriented, so big city conscious, that an executive order of sweeping import was virtually ignored because on the surface it appeared to apply only to rural America.

Tonight I'm going to try to make it clear to you that this particular executive order can be of tremendous importance to the big cities of America ... and to the advance of equal rights and opportunities to which this great organization is dedicated. Further, I hope to enlist your help in carrying out the aims of this executive order.

This particular order established a President's Committee on Rural Poverty and a National Advisory Commission on Rural Poverty.

The Committee, which I am privileged to chair, includes the Secretaries of Interior, Commerce, Labor, Health, Education and Welfare, and Housing and Urban Development, the Director of the Office of Economic Opportunity, and the Administrator of the Small Business Administration.

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Speech by Secretary of Agriculture Orville L. Freeman to the Executive Committee of the National Anti-Defamation League at the Congress Hotel, Chicago, Illinois, 8 p.m. (CDT) Saturday, October 1, 1966.

The Advisory Commission will be headed by Governor Edward Breathitt of Kentucky, and includes 25 distinguished citizen members.

Twelve months from now, the Committee will submit a report and recommendations to the President, recommendations based in part on the studies to be conducted by the Commission as well as on its own findings.

The President has charged both groups with these general responsibilities:

1. Appraise the means by which existing programs, policies, and activities relating to the economic and community welfare of rural people may be coordinated or better directed or redirected to achieve for the rural population the quality of living and levels of opportunity available to other segments of the population.

2. Develop recommendations for action by Government or by private enterprise as to the most efficient and promising means of providing opportunities for rural people to share in America's abundance and better levels of living.

The Advisory Commission has been asked to make a comprehensive study and appraisal of the current economic situations and trends in American rural life, as they relate to income and community problems of rural areas.

These problems would include:

Low income, the status of rural labor, unemployment and underemployment and retraining in usable skills· rural economic

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development and expanding opportunities; sources of additional rural employment; availability of land and other resources; adequacy of food, nutrition, housing, health and cultural opportunities for rural families; the condition of children and youth in rural areas and their status in an expanding national economy; rural migration; adequacy of rural community facilities and services; exploration of new and better means of eliminating the causes which perpetuate rural unemployment and underemployment.

Now why is this report so significant?

It is highly significant for two reasons:

1. It marks another major step in the march to wipe out poverty in the United States with a new emphasis on bringing the Great Society to rural as well as urban America.

2. It strikes to the very roots of basic ills of the countryside ... and of the cities.

Let me discuss these in order.

How significant is rural poverty?

Last January, a Presidential Message to Congress described poverty's grip on rural America in these words:

" ... nearly half of the poor in the United States live in rural areas.

" ... almost one in every two rural families has a cash income under \$3,000.

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" ... one-fourth of rural nonfarm homes are without running water.

" ... rural people lag almost two years behind urban residents in educational attainment.

" ... health facilities in rural areas are so inadequate that rural children receive one-third less medical attention than urban children.

Like the poverty in the city's ghettos, rural poverty has low visibility.

It's on the wrong side of the tracks in the small towns and villages. It's down the road, over the hill, across the 'holler." It's children with irreparably decayed teeth, incipient blindness and crooked limbs from malnourishment. It's mothers preparing a supper of nothing but boiled greens. It's the gaunt-cheeked, hollow-eyed father sitting out his life on a sagging front step because there's no work to be had ... and no money to move elsewhere.

In our otherwise affluent society, now enjoying its 67th month of an unprecedented prosperity, the pockets of poverty -- urban and rural -- are all too easy to overlook.

But they are there. And as long as they are there, they weaken the fabric of this great Nation.

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Rural poverty has proved, in past decades, to be an almost intractable problem. The efforts of five Administrations have provided some relief for the hundreds of thousands of poor who remain in the countryside, but the problem is far from solved.

Earlier this year, the President put it this way:

"I do not believe we should stand idly by and permit our rural citizens to be ground into poverty -- exposing them, unassisted and unencouraged, to the neglect of a changing society. Few other elements of our population are so treated by our humane and progressive people."

Earlier, I said the significance of this executive order seemed lost to urban America, even though in the long run it could help benefit our cities as much as our countryside.

Again, let me quote the President to show you what I mean:

"The effect (of rural poverty) is as grievous on urban America -- the recipient of millions of unskilled migrants from rural areas in the past two decades -- as on the run-down farms and impoverished communities that still house 4.4 million poor rural families."

And so it is.

I believe we must stem the exodus of people from rural to urban America if we are ever to cure the ills of our great cities. I am not alone in this belief. I hope before I say goodbye tonight, you, too, will share this conviction.

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If that migration is not stemmed, 4 out of 5 Americans will live in metropolitan areas by the year 2000. Two hundred and forty million will live in 8.7 percent of the Nation's land area, while only 60 million occupy the remaining 91.3 percent.

If that migration is not stemmed, we face, in the short span of 35 years, prospects of American cities more densely populated than the cities of Japan!

Country to city migration has been going on for generations. Indeed, it has been going on throughout the world for centuries. Aristotle once observed that people move to the cities "in order to live the good life."

In our young Nation, the exodus from the countryside began to accelerate with the advance of technology on the farms. As fewer and fewer farmers were needed to feed the Nation, more and more moved to the settlements which grew into cities.

The exodus accelerated sharply just before World War II and has continued unabated ever since.

But what has it done? It has drained off many of the bright, educated people who could provide vigorous leadership in the countryside ... and it has poured millions upon millions of unskilled, untrained, and discriminated against people into cities already bursting at the seams with stacked up humanity.

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What happens to human relations when we jam 70 percent of our people onto one percent of the land?

Sooner or later stress exceeds strength. Congestion, frustration, disillusion and despair take their ultimate toll. Nerves snap. Tempers flare. Scapegoats are sought. And violence erupts in the hot summer night.

We have just come through another long, hot summer of racial unrest ... perhaps the longest, and the hottest, and the most bitter summer thus far.

I say this because disillusion and disenchantment ... along with riots in the street ... characterized this particular summer.

This was the summer we saw Negro leaders become disenchanted with other Negro leaders ... white and Negro liberals become disenchanted with the tactics and philosophies of some civil rights spokesmen ... Negroes charge long-time friends with being only fair weather white liberals.

It was the summer we heard "Kill the Nigger!" and "Burn, Whitey, burn!"

It was the summer of riots in Chicago and Cicero and San Francisco and Omaha and New York ... the summer when the cry for freedom became the sound of a brick crashing through a window, the sound of the mob, the sound of violence that threatens all the good work that has been done.

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It was the summer, too, when a black Nobel Peace Prize winner was spat upon ... Negro marchers stoned ... and little Negro school children set upon and beaten.

It was an agonizing summer ... with agonizing consequences we are just beginning to see.

For it was also the summer when "white backlash" became a vivid reality ... and "open occupancy" a political football.

And the summer when the Civil Rights Act of 1966 went down to defeat.

But if that was the summer of disappointment ... this must not be the autumn of surrender.

This is no time for the easily discouraged and no time for the timid -- or the hothead. This is the time for responsible people to rededicate themselves and firmly back a President determined to see the day when all Americans have equal treatment under the law and equal opportunity within the social and economic perimeters of our national life.

Certainly, the President was disappointed with the failure to pass the Civil Rights Bill of 1966. But he hasn't given up. Not at all. This is what he said:

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"I believe in due time that measure will be again considered, favorably acted upon, and will become the law of the land. Justice to all of our citizens will not only be guaranteed but will prevail."

I said this is no time for discouragement. One setback in an otherwise unbroken string of victories since then-Senator Lyndon Johnson led the 85th Congress to passage of the 1957 Civil Rights Act ... the first major civil rights law in 82 years ... is no reason to despair.

Look at the progress made since then!

Another major Civil Rights Act in 1960. The poll tax outlawed by the 24th Amendment to the Constitution in February of 1964, and another Civil Rights Act enacted that year. And then, the historic Voting Rights Act of 1965, an Act reaffirming that principle of government by all the people by re-enforcing the Fifteenth Amendment's guarantee that the right to vote shall not be denied or abridged on account of race, color, or previous condition of servitude.

In the first year of enforcement of this Act, more than 400,000 Negroes in five States were registered to vote. Some 117,500 were registered by Federal officials. Negro voter registration in these States increased by nearly 60 percent in the first ten months.

Under the 1964 Act, the Department of Justice had filed or joined 57 school desegregation cases by mid-summer of this year.

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The number of Deep South Negro students enrolled in grade and high schools with white pupils in the 1965-66 school year nearly tripled the number of the previous year.

Thousands of places of public accommodation have been opened to all citizens by the Department of Justice's enforcement of the 1964 Civil Rights Act.

In its very first year of operation, the Equal Employment Opportunity Commission handled 8,672 charges of claimed job discrimination.

I could cite many more instances of positive advance, but time will not permit. Let's sum it up by saying the Federal Government also maintains continuing vigilance to see that there is no racial discrimination in: appointment to high government posts, Federally-financed housing, private industry doing business with the government or engaged in interstate commerce ... or in air, rail and bus terminals.

We have come a long way in civil rights. Far enough so no one need despair that the advance will not continue. Rather, we must resolve that the precepts of equality and freedom and opportunity set down by our forefathers in the Declaration of Independence and the Constitution of the United States shall be fully realized, and that the march of progress continue.

But tonight I want to pose this question? What good full civil rights without full economic opportunity?

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The demanding challenge now is to keep economic pace with legislative and judicial strides in rights progress.

Opportunity frustration is at least as large a factor as rights frustration in the racial incidents of the recent long, hot summers.

For the most part, the riots and the skirmishes have taken place in crowded, urban centers .. in cities jammed with refugees from pockets of rural poverty or abysses of discrimination.

The underprivileged are frustrated before they move to the cities. They are even more frustrated after they get there. The lack of opportunity for the unskilled and the untrained that drove them out of the countryside is found again inside the city's gates.

Only here, the frustrations are compounded.

Earlier this month, an Urban America conference was held in Washington, and for days the air was filled with talk about the staggering problems of our metropolitan centers. Smog. Water pollution. Traffic nightmares. Crowded housing. Crowded streets. Crowded sidewalks. Crowded hospitals. Slums. Ghettoes. Crime. Delinquency. Understaffed welfare workers and overworked police. And disenchantment for the millions who came to the cities looking for the promised land ... and found only the relief roll.

Yet no one at that conference seemed to seriously consider the basic answer to the basic problem of too many people for too little space!

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There is a basic answer. But it will require a 180-degree turn in the thinking of big-city oriented America to accept that answer.

We must move our people to where there is room for them. In the open countryside. In the villages and the small cities of rural America. Indeed, the day is here when we must create whole new communities in the open spaces of this vast land of ours.

Here again we must not despair of our cities. Much has been done, and much is being done by this Administration, to alleviate the troubles of the big cities. Had I the time, I would like to review with you the great strides made in the war on poverty, the advances in urban redevelopment, the gains made in offering more training and education to our citizens in the great metropolitan areas.

But until the influx of people is stopped ... and turned around ... the fight to save the cities can never really be won.

So tonight I come to you to ask your support. As leaders in the world of commerce and industry, business and the professions, you can do much to help America make that 180-degree turn in its thinking.

This Administration is pledged to do all it can to make rural America a more attractive place to live in, to work in, to play in ... and to produce in.

But basically only private enterprise can put jobs and opportunity in the countryside.

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Let me quickly tick off the reasons why moving industry to rural America is as practical as it is necessary in the national interest.

There are profits to be made there. In most instances, land is cheaper, building costs lower, utility charges modest, and transportation facilities satisfactory.

Moreover, there is an eager labor pool awaiting industry in the hinterlands. Men and women who appreciate the chance to work and earn a decent wage. Men and women eager to learn new skills. Men and women eager to do a good job for you.

With today's communications and transportation facilities, the old argument that industry and business could only operate efficiently and profitably in the metropolis no longer holds true. To the contrary, many businesses are now learning that not only are some cities uninhabitable ... they are also unprofitable.

Many smaller communities have set up their own development committees to work with prospective industry in finding suitable plant locations, arranging financing, and securing trained and untrained workers.

And almost all rural communities boast those intangible -- but so important -- advantages of space, clean air, clean water, proximity to nature, and ready access to outdoor recreation. In these towns and cities employer and employee are but minutes to work, minutes to school, minutes to church, minutes to retail stores, and minutes from play.

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Business and industry which have already branched out to rural areas have learned to appreciate these advantages ... and to appreciate the high production, low absenteeism and slow turnover of personnel.

In his charge to his new Committee and Commission on Rural Poverty, the President asked for recommendations for action by Government or by private enterprise to bring rural people their share in America's abundance.

Numerous actions already have been taken or will be taken by Departments and agencies of the Federal Government.

Finally, let me tell you briefly what our own Department of Agriculture has been doing to improve the attractiveness and raise the standard of living in rural America.

At the direction of the President, we have launched a full-scale rural areas development program which is already reaping significant results.

The USDA worked with the Social Security Administration to sign up more than 4 million rural old people in Medicare. We are working with the Department of Labor to extend training and job-seeking services of State Employment Agencies. We are trying new approaches in using training and educational programs to raise rural people to new levels of income-earning opportunity.

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Such major USDA agencies as the Farmers Home Administration, the Soil Conservation Service, Rural Electrification Administration, and the Forest Service are making solid contributions in the effort to give all Americans a chance to earn their living in the countryside if that is where they want to live.

Some of these agencies have made loans of millions and millions of dollars in the past three years to finance rural community water systems, sewer projects, housing, community recreation centers, and trade and service businesses in rural communities. Others have established hundreds of watershed conservation projects to protect and improve natural resources. Still others have been instrumental in establishing National Forest campgrounds, picnic grounds, swimming sites, boating and winter sports sites.

This spring the USDA launched a new Rural Industrialization Program designed to encourage industry in the countryside. The staff for this new program is ready to counsel with any industrialist or businessman interested in locating in Smalltown, America. They will help him find the right location, the right facilities, the right financing, and the right personnel. A brochure listing the program services can be obtained from the USDA for the writing.

Now pending in the Congress is the Community District Development bill. This legislation would provide matching funds to rural communities made up of hub cities and satellite communities in groupings which coincide with natural trade and commuting patterns so that resource development and community facilities can be planned in the countryside as effectively as they can be planned in the cities.

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In effect, the proposed rural Community Districts will constitute "cities" ... for each will offer much, if not all, of the services and conveniences of the big cities ... without the big cities' built-in problems.

But basic to the effort to stamp out rural poverty, to revitalize rural America ... indeed, to remake the face of rural America ... are jobs. I repeat, only private enterprise can provide the jobs.

I've tried to convince you of the need to rebuild rural America for its own sake ... for the sake of urban America, for the sake of all America. I've tried to convince you that moving industry to the country can be as profitable as it is desirable. I've tried to convince you that the cause of human relations can be strengthened immeasurably by spreading economic opportunity throughout the Nation and by relieving the pressures on our crowded cities.

Now let me close by saying that now ... if never before ... is the time to do it. Never has our general economy been stronger. Personal earnings, personal savings, corporate after-tax profits and the gross national product are at all-time record highs. If ever there was a time to take that bold step to create a new, and even more vibrantly healthy, America ... now is that time.

I ask you to dream with me for a final moment. Imagine, if you will, a time in the future when hundreds and hundreds of existing rural communities ... and hundreds of new rural communities ... offer



everything the big cities offer except congestion and confusion, crime and chaos, polluted air and dirty water, overcrowded schools and jobless ghettos, racial unrest ... and riots in the streets.

Imagine new and revitalized communities, each with its own local source of employment, each with its own factories, each with its own college or university, each with its own medical center, each with its own cultural, entertainment, and recreational advantages.

Visionary?

Perhaps.

But let me ask you this. Is it any more visionary than to conceive of New York City ... or Chicago ... even hoping to provide forever decent housing, schooling and employment ... or for that matter direct relief ... for every refugee from every dungeon of despair and desperation who wants to move there?

Which option is the more attractive?

Which, in the long run, is the more practical?

Which, in the future, offers the greater hope for a serene society of all races, all creeds, all nationalities?

I think I know your answer.

Thank you and good night.

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NOV 22 1966

A thousand miles to the open sea.

C & R-ASF

Yet we celebrate this afternoon -- in Kansas City -- an achievement of world importance.

Why do we gather in a great inland city to observe a record-breaking year in farm exports?

Because agricultural trade starts with productive farmers. It advances on the shoulders of enterprising businessmen competing in a governmental climate that encourages enterprise and promotes access to world markets.

Nowhere could all these elements be symbolized more effectively than in this great agricultural hall in one of the marketing and processing centers of America.

This is a symbolic gathering. We are here to pay special attention to three commodities -- three leading farm exports -- and to the farmers and traders responsible for their production and export. But in a broader sense, these commodities symbolize all of the many commodity segments which have increased their exports and shared in the record high of \$6.7 billion in farm exports in the 1965-66 marketing year.

In each of the last several years, we have exported a quantity of wheat valued at more than a billion dollars -- a figure which had stood as a kind of "four-minute mile" in farm exports.

Address by Secretary of Agriculture Orville L. Freeman at the Salute to Farm Exports Luncheon, American Royal Exposition Building, Kansas City, Mo., Monday, October 3, 1966, 1:00 p.m. (CST).

But in the year ending last June 30, both feed grains and soybeans gained membership in that exclusive club. And I think that everyone in this room has a right to be proud of these achievements.

Many Commodities Help

We could not, of course, have set a new record for total farm exports without the gains that have been made in other important products. Six other commodities scored gains in the past year -- hides and skins, fruits and fruit preparations, vegetables and preparations, rice, poultry products, and meats and meat products.

Cotton and tobacco -- while not showing gains in this past year -- are and have long been important export crops and dollar earners. Both have a great history in the export trade of this country, and both are on the uptrend in the current marketing year.

All who produce or trade in any of these commodities can take pride in the successes that we celebrate today.

I remember very well my first year as Secretary of Agriculture -- and the problems that we had before us. We had a problem of surpluses and a surplus of problems -- as you will recall. One of the first things we did was to set certain priorities and put our people to work on devising approaches to those goals.

One of the big priorities was to increase our farm exports.

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Farm exports had made some improvement. Ten years ago they were at \$3.5 billion. By 1960 they had reached \$4.5 billion. A good beginning in market development had been made by a number of agricultural and trade groups.

#### Private and Public Sectors Cooperate

But we found new ways to speed this up. Private organizations -- including those represented here today -- willingly worked with us. And the result was an expanded, intensified market development program that today includes 45 cooperating organizations working in 70 countries.

At the same time, we began to move toward pricing policies -- under the commodity programs -- that would encourage the free flow of American farm products into world trade. This has been especially important in feed grains. It is helping to boost cotton exports in the current marketing year.

The result was a 48 percent increase in total exports in a half dozen years. The gain in dollar exports was even larger -- 58 percent. Total exports stood at \$6.7 billion at the end of 1965-66 and dollar exports stood at a record \$5.1 billion.

This progress didn't just happen. It took a great deal of work by many people and many groups -- in and out of Government -- by you agricultural and business people here and across the Nation, by the Foreign Agricultural Service and other agencies of the Department of Agriculture, by our Agricultural Attaches in American Embassies in key posts around the world, and by many others.

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Wheat

In the case of wheat, industry and government worked together to bring freight rates down, so that wheat could more easily be put into export position to serve commercial markets in Asia. U. S. grain standards were revised to improve the quality image of U. S. wheat abroad.

There was developed an active program of two-way market intelligence to assure that foreign buyers are well informed about U. S. grain and also that buyers' needs are known in this country. Technical services were made available abroad to enable bakers and end users of wheat to appreciate and use more fully the various classes of U. S. wheat.

And in Asian areas, particularly Japan, a great deal of effort -- successful effort -- was paid to creating interest in wheat foods among people more accustomed to other grains. As a result, American wheat continues today to broaden diets which traditionally have been based on rice alone.

As a result of these efforts, we have seen some striking increases in dollar sales of U. S. wheat. The top dollar buyer, Japan, has just about doubled its purchases in a half dozen years. West European countries such as the Netherlands, the United Kingdom, West Germany, and Italy have supplemented local supplies with U. S. wheat -- adding substantially to our 1966 exports.

In addition to these dollar exports, wheat has continued to be the mainstay of the Food for Peace program. The biggest taker has been India, where American wheat has literally averted mass starvation.

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Other big users under the "concessional" programs have been Brazil, Pakistan, Turkey, Yugoslavia, Poland, United Arab Republic, Taiwan, and South Korea.

All in all, wheat exports in the past year amounted to 859 million bushels valued at \$1.4 billion -- about one-third for dollars and the remaining two-thirds under Food for Peace. Although not a record in value, this was the largest volume of wheat ever exported from the United States in one year.

#### Feed Grains

Meanwhile, American farm and marketing know-how was helping to create a revolution on another front.

In the homes of Japan and Western Europe, a growing demand for more livestock products emerged as their economies expanded. In those areas, heavily populated farm lands are too limited for extensive feed grain farming. These countries have room for livestock and poultry but little space on which to grow corn, sorghums, and other essential feed ingredients. Clearly, there was a great potential market to be had, and we went after it.

The U. S. feed grains industry, from producer to exporter, working with the Department of Agriculture, launched an intensive educational campaign to stimulate the demand for American grains. A standout job was done in filling the information gap concerning livestock feeding in countries where demand for mixed feeds is rising rapidly but manufacturers find it difficult to keep up with the technology of the field.

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We also intensified the attention given to the quality of U. S. feed grains going into export -- so the reputation of American suppliers would not be damaged by the shipment of damaged or inferior products.

We began a steady march toward the billion dollar mark in feed grain exports.

The most dramatic individual gains were made by corn, which by itself scored an export total of \$933 million in the past year. This was a jump of 30 percent in one year. It was a gain of some three and a third times within this decade.

Our number one market for corn is Italy, which came out of nowhere to buy \$135 million worth of corn. Japan's increased use of American corn was only slightly less spectacular. Another tremendous increase came in sales to Spain.

Canada, the United Kingdom, West Germany, and the Low Countries all continued to be solid customers, and most of them showed increases.

Grain sorghums have also shown strong growth in sales -- especially in the past three years. Sales of both barley and oats have recovered sharply from a poor export year in 1965.

These increases reflect the fact that more livestock is being fed in the world -- especially in Japan and Western Europe. It is being fed better -- and to an increasing extent with U. S. feed grains.

I want to call your special attention to one striking fact:

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Not only are feed grains the number one dollar earner among our farm exports -- they are the number one dollar earner among all American exports, including industrial products.

Of our total feed grain exports of \$1.4 billion in 1965-66 -- 90 percent was sold for cash.

This clearly ranks feed grains as the Nation's number one earner of dollars and the Nation's number one contributor to our critical balance of payments. It exceeded by a hundred million dollars the leading category of U. S. industrial exports, which is motor vehicle and tractor parts.

This from a farm commodity which a few years ago was not even considered by this country to be a major export item!

#### Soybeans

Another great dollar earner is the third commodity to which we pay our respects today -- soybeans. This is one of the great success stories of this decade.

A half dozen years ago, we were producing 500 to 600 million bushels of soybeans. This year, soybean growers will harvest something like 926 million bushels -- and even this isn't enough. Next year, we would like to see soybean production grow to about 1 billion bushels -- it must, in order to meet the expanding demand.

This is a growing industry, and all signs point to continued growth.

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Both farmers and businessmen are to be commended for their success in building the soybean industry in a period of just a few years. You have made an effective team. You have based your operations on a price competitive throughout the world.

Market development work has been effective. The use of soybean meal in livestock feeding has increased. And a new taste for soybean food products has been created.

For example, in just a very few years, soybean oil has become popular in such countries as Spain, which had been wedded to olive oil since ancient times.

The result of all this is that exports of soybeans, like feed grains, have now shot above a billion dollars -- a gain of 20 percent in one year. Also like feed grains, 90 percent of our exports of soybeans and products are for dollars.

In addition, a good deal of soybean oil moves through Food for Peace -- making an important contribution to the raising of nutritional levels in those developing countries that will be, but are not yet, important markets for commercial exports.

What has the soybean success story meant to American farmers?

It has meant a doubling of farmer returns from this crop in only half a dozen years. I think it is fair to point out that the upward adjustments in the price support level over these years have helped to bring about the increased acreage -- and have helped farmers to realize a share in the price increases that have occurred.

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Business For All

When you consider that farm exports now take the produce of one American acre out of every four, it is pretty obvious that our agriculture could not operate anywhere near its present level without our millions of foreign customers. It is just as obvious that the income gains that have come to agriculture in recent years could not have been fully achieved without an increase in the volume of farm products moved to those customers.

As farmers are affected, so are townspeople.

So are entire communities.

So are great cities -- like Kansas City.

This is one of the things we are celebrating today -- the idea that American agriculture creates business for all ... prosperity for all ... better living for all. Nowhere is this better understood than in Kansas City, a city whose roots spring from deep in American agriculture.

Two out of every three dollars that farmers receive as gross income are spent immediately -- or are already owed -- for equipment and production supplies. Most of the other dollar, too, will ultimately be spent with local businessmen for family needs -- for food, clothing, medical care, education.

This is the stake that American business and industry have in a prosperous and vigorous agriculture ... and in the success of agriculture, business, and government in expanding income from export sales.

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Not so well understood perhaps is the fact that our farm product shipments are benefiting the Nation as a whole by providing strong support for our balance of payments. As you know, our over-all payment balance is of critical concern to our country.

The favorable balance that we have achieved in our farm trade means simply that our dollar-earning farm exports are now more than paying -- much more than paying -- for our dollar-costing farm imports.

Ten years ago our country was running an annual deficit in its agricultural trade balance of well over half a billion dollars a year. In 1965-66, we had a favorable balance in our agricultural trade of \$2.2 billion -- of which more than \$1 billion was dollar earnings and the remainder was from the Public Law 480 export program.

For those who want to know the actual figures, our total agricultural exports came to \$6.7 billion, our total agricultural imports came to \$4.5 billion, a favorable difference of \$2.2 billion. We compute the dollar-earning component in this way: Exports for dollars came to \$5.1 billion. Against this were dollar-costing imports of \$4.5 billion, a favorable difference of \$0.6 billion. To this we add certain dollar savings and dollar returns coming out of Public Law 480, amounting to about half a billion dollars, (principally the payment of our obligations abroad with the proceeds of Title I, P. L. 480 sales) giving a total favorable balance of more than \$1 billion.

Dollar expenditures avoided through these features of P. L. 480 are a fiscal by-product of what must surely be considered one of the great humanitarian programs of world history.

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The Food for Freedom Approach

Our assistance programs are now in a period of transition as a result of a growing recognition of the impending crisis of world hunger. This problem has been dramatized for Americans, as never before, by our large shipments of wheat to India -- 160 million bushels in the first seven months of this calendar year alone.

Congress is on the verge of enacting a 2-year extension of P.L. 480 -- with changes that face realistically the tremendous challenge that the food-population race presents to us. The program, proposed by President Johnson in a historic Food for Freedom message to the Congress last February, recognizes that no country can continue to fill the world food gap over an indefinite period of time. It recognizes that the food-deficit countries must before too many years be prepared to meet their own food needs. Otherwise the world will face mass famine.

The first major shift in program emphasis is to link U. S. food donations and long-term low-interest sales with a determination by the receiving country to take definite steps to strengthen its own agriculture. We are eager to make available to such countries the production and marketing know-how that has made our own agriculture so successful -- and the Agency for International Development and USDA have been recruiting and assigning teams for that purpose.

The USDA's International Agricultural Development Service, working in close cooperation with AID, sent 300 scientists and technicians to 39 countries in Latin America, Africa and Asia last year. For the most part,

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these are countries whose farmers are not part of a market economy of any consequence. To bring them into the market by means of expanded production holds promise, not only for greater world stability, but for an enlarged international trade.

A second major departure in program emphasis under Food for Peace is to place more emphasis on the specific kinds of food that are needed. This means that our own agriculture will be called upon to produce the right "mix" of commodities so that we can meet our programming needs for overseas as well as assuring abundance in this country. This is what we mean when we speak of a National Food Budget -- that we produce what we really need at home and around the world -- for use, not for storage.

We have seen, in just a few years, how our agriculture has become world oriented. Not long ago, our export market was concentrated almost entirely on two crops -- cotton and tobacco. Today we export more than 400 separate agricultural items from all 50 States.

Our farmers are the world's biggest exporters. They supply more than 20 percent of world agricultural trade.

#### Greater Goals Ahead

This didn't just happen. It was triggered by intensive promotional efforts by commodity groups and government alertly taking advantage of a changing world picture. And still we are not done.

We will continue to move forward in world trade. By 1970, our sales for dollars alone should top \$6 billion and our total agricultural exports \$8 billion.

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This will require new work ... new ideas ... new cooperation between business and government. It will take education and salesmanship. But we've proved that we have the enterprise and determination to move on to greater goals in world trade.

American agriculture is front and center in the world of today. No one understands this better than the people we are honoring today -- and the many other traders and market development people who have done so much to write a spectacular record in farm exports.

I appreciate the chance to be with all of you -- and to be in a city where the achievements of agriculture are so warmly appreciated. Thank you for the hospitality ... and again:

Congratulations to the charter members of the Billion Dollar Club.

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GREAT DAYS AHEAD

Mr. Chairman, cooperative leaders, ladies and gentlemen:

We in the Department of Agriculture are delighted that your committee chose to open this annual celebration of Co-op Month here in our Jefferson auditorium. Cooperatives, of course, serve both rural and urban people -- and many Federal departments and agencies, as well as the Department of Agriculture, work with them to improve their operations. We claim no territorial rights to this idea.

With me on this platform are representatives of ten other Federal Departments and agencies. They also are seeking to help people organize cooperatives and operate them to meet their needs most effectively and most efficiently.

Also on this platform are leaders of cooperatives from across this land where the celebration of Co-op Month really began. We should remember -- as we gather here in Jefferson auditorium this morning -- that out across this country hundreds of thousands of people will celebrate October as Co-op Month with annual meetings, with dinners, with open house at the co-op feed mill, with special breakfasts, and in other ways.

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Remarks by Secretary of Agriculture Orville L. Freeman at opening of Co-op Month celebration in Jefferson Auditorium, U. S. Department of Agriculture, Washington, D. C., October 4, 1966, at 10:15 a. m. (EDT).

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A few of these hundreds of thousands of co-op members have been celebrating Co-op Month at this time of the year for nearly a quarter century. This is only the third year that representatives of the Federal Government have formally joined in this celebration -- and it is by all odds the most ambitious, the most representative, and the most meaningful that we have held here in Washington. Congratulations to the inter-agency committee on its arrangements.

Governors of about half the States have proclaimed October as Co-op Month. Co-op Month posters are going up in apartment buildings, in grain elevators, in cooperative credit offices, in factories and processing plants, in electric co-op offices, in county buildings, and on library bulletin boards. Ads will appear in national magazines, and you'll read about Co-op Month in your newspapers, hear about it on television and radio.

In his Cooperative Month statement, President Johnson said, in part:

"Since their very beginning, cooperatives in this country have achieved a remarkable record of progress....Formed from the urgent needs to provide better business services, cooperatives at first were merely islands of economic hope. Over the past 40 years they have become an important part of our economic life....

"Now the seeds of success are bearing fruit elsewhere. The needy in rural areas of other lands are taking the same first steps of cooperative endeavor as did our farmers years ago.

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"I am greatly heartened by the quick response of our cooperatives to the opportunity and responsibility of helping build this worthwhile process abroad."

The President, of course, is a veteran in the cooperative movement. He was instrumental in organizing one of the first rural electric cooperatives and in 1964 said of that experience:

"Electricity down where I live on the ranch comes from the Pedernales Electric Cooperative, one of the first rural electric cooperatives organized in this country. I had a little to do with it. I guess you might say I was a male midwife for the REA."

Many times the people of this country have pulled on the seven-league boots of cooperation to stride forward into a new and brighter tomorrow. It is timely I think to recall:

-- how farmers have used cooperatives to produce abundant food and fiber and to gain a fair price for their products;

-- how they used cooperatives to light up the countryside and usher in a new era of rural living;

-- how New York City families used cooperatives to replace the slums of lower Manhattan with graceful buildings, parks, and playgrounds;

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-- how farmers have used co-ops to gain some control over the cost, quality, and availability of the supplies and services they need to farm successfully;

-- how groups of citizens have used cooperatives to devise a system of health care based on prepayment, group-practice, and direct service that has remarkably reduced their members' dependence on hospitals;

-- how farmers have used cooperatives to fashion a whole new system of farm credit based on the borrower's needs and repayment ability rather than the convenience of the lender;

-- how our people have used cooperatives in countless ways to distribute food, drugs, furniture, and petroleum products and to get insurance, irrigation, telephone, and countless other services; and

-- how cooperatives have grown so that one family in three now shares in the ownership of this Nation's cooperatives.

However, as Shakespeare said and as they remind us at the National Archives, "What is past is prologue." This is no time to rest on our laurels.

In one of his poems, Carl Sandburg says,

"I see great days ahead,

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"Great days possible to men and women of will and vision."

Cooperatives have a single, over-all objective, which is quite simple -- to help people live better. As we pursue those "great days ahead" that Sandburg spoke of, let me suggest several ways that we will use cooperatives to help people live better.

First, we at the Department of Agriculture intend to pursue the objective of parity of income for the adequate size family farm, which is -- and we are determined will continue to be -- the basis of American agriculture. To achieve this objective, cooperatives must help farmers

- get better prices for their products,
- reduce their operating expenses,
- acquire a whole new array of specialized on-the-farm services,
- keep control of the integration of agriculture, and
- adapt to the swift, relentless changes taking place in rural

America.

This will not be easy. "The men and women of will and vision" whom Sandburg knew would lead us to the "great days ahead" realize that what their cooperatives are doing today is not enough. Our cooperatives must move forward -- and move forward quickly. They must stretch their not inconsiderable financial resources. They must plan ahead, so they'll have the trained manpower they need every step of the way. They must understand -- better than I believe they do today -- the inter-relation of Government and this nation's economic affairs.

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A hen, you know, is the only thing that can sit still and produce a dividend. And a cooperative is not a hen -- even though we do have a good many cooperatives in the poultry marketing business - including one that's now marketing a dressed turkey with a built-in thermometer that pops up when it's time to turn off the oven.

It's time we expected much more of our farmers' marketing and purchasing cooperatives. We have many examples of what these co-ops can do. They're moving into basic production of a broader range of farm supplies, into fascinating new ventures for processing farmers' products, and into a variety of on-the-farm services for their members -- especially their younger members, who're facing fantastic capital requirements. We need much more of this.

The outstanding performance of cooperatives in some parts of this country simply emphasizes the potential for cooperative development elsewhere. Cooperatives -- both in marketing and purchasing -- must become an even more vital force in American agriculture if they are to meet the challenge of economic concentration in other sectors of the economy. We need to fill the vacuums, to move ahead on a broad front.

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This Department is determined to help farmers and their cooperatives keep a step ahead of the inevitable change, instead of letting change overwhelm them and thus create impossible difficulties. The leadership, the responsibility is theirs. It is our responsibility to help them.

Second, we shall use cooperatives to help rural and small-town residents develop their resources so they and their neighbors can live better.

Basically, this means opening up jobs in those vast areas between our population centers. It means creating jobs between Washington and Pittsburgh, between Chicago and Minneapolis, between Omaha and Denver, between Portland and San Francisco. We will create these jobs in the countryside

-- as farmers' cooperatives expand in manufacturing and processing there,

-- as cooperatives attract some of the Nation's new factories to rural America by providing essential services such as water and electricity in abundant quantities at low cost; and

-- as the residents of the countryside organize new cooperatives to develop local resources.

Many things are possible in rural America that would not otherwise be possible without this voluntary, democratic, non-profit, self-help technique of economic cooperation.

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For townspeople who want more jobs so their sons or their neighbors' sons can choose whether to seek their livelihood at home or in the city, do not expect an annual, after-tax return of 10 percent on their investments. They'll be willing to invest in a cooperatively-owned plywood mill -- or a woodworking mill owned cooperatively by the farmers who cut the wood -- or a fishing pond-motel-hunting range owned cooperatively by the landowners.

For example, three communities in Minnesota have recently benefited from the organization of maple sugar processing cooperatives. The availability of low-cost co-op electricity recently helped bring a meat packing plant to a northcentral Kansas county seat town.

Third, as we pursue the "great days ahead" that the poet spoke of, I'm sure we shall use cooperatives to help poor Americans lift themselves out of poverty. We shall do this both in the cities and in the rural areas. This is one of our greatest opportunities.

We may, for example, use tenants' unions and home repair co-ops to help low-income families have a decent place to live. We will also use buying clubs so these slum dwellers can save a few dollars and learn much -- learn about the basic business relationships that are so vital in our society.

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We will use cooperatives to help low-income farmers join the ranks of commercial producers of food. We will, for example, encourage them in the joint ownership of farming equipment so that, by reducing the investment each farmer must make in machinery, he will be able to earn an adequate income on fewer acres than would be possible otherwise.

We will encourage these low-income farmers to organize marketing cooperatives for special crops. I learned the other day of 365 Louisiana farmers -- almost everyone of them below the poverty level -- who this year expect to average more than \$500 extra on their sweet potato crop because they're marketing it through a co-op they've just organized. For many of these people, the co-op means their exit from poverty.

The Economic Opportunity loan program, which is administered by the Farmers Home Administration to help low-income rural people to establish cooperatives, has only been in operation since January 1965. In this 18-month period nearly 600 cooperatives serving more than 8,000 rural families have been established. Most of these are in the southern States. All are integrated with both Negroes and white families participating as members, officers and patrons.

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Early surveys of these new cooperatives have shown that the members of these co-ops are averaging about \$300 in extra income in dividends. This may seem like a very modest addition to their income but when you consider that most of these families had incomes of less than \$2,000 per year, the additional \$300 represents a 15 percent improvement in their living standards.

The co-op loan program is gaining momentum and as these low-income rural people learn how to use cooperatives, we foresee it as an increasingly effective program not only to raise family income but as an excellent vehicle to help the rural poor become fully participating members in our free enterprise economy.

By helping low-income farmers organize marketing cooperatives for new crops and build their markets, we believe they can adapt to changing patterns of agricultural production.

Fourth, I hold high hopes that, as future decades unfold, we shall use this voluntary, self-help form of social organization to solve some of the staggering problems that face our cities.

Voluntary organization has long characterized rural America -- the mutual telephone system, the irrigation district, the barn raising, the bull ring, and cooperatives of almost infinite variety. We have felt -- properly so, it seems to me -- that this voluntary social and economic organization has fostered the virtues both of self-reliance and reliance on one's neighbors, both of independence and inter-dependence, both of self-help and group effort.

As we strive to open up opportunities for the vast majority of people in our predominantly urban society to live fuller, richer, and more satisfying lives, we shall, I believe, turn increasingly to voluntary



organization -- rely less on compulsion -- to meet our goals.

Already, there are promising beginnings. Group health plans have pioneered an extremely efficient organization of medical services. Other co-ops have proved that decent housing can be brought within the reach of even moderate-income families.

Yet these are only beginnings. Much, much remains to challenge the generation of Americans now reaching maturity. We must find ways to adapt cooperatives and other voluntary forms of social and economic organization -- to transfer the lessons we have learned so well in the countryside -- to the great cities and their rings of suburbs. Let us work together.

Finally, we shall use cooperatives to help people of the developing Nations live better and extend their control over their Nations' economic affairs. The people of the United States have a richer and more varied experience with cooperatives than in most other lands. We have learned that cooperatives are a good way to get jobs done, that they are a good way

- to produce more food;
- to market it more efficiently;
- to cut the cost of consumer goods, consumer credit, consumer services, and housing so that people can live better on whatever incomes they have;
- to harness scarce resources to the production of abundance;
- to encourage thrift and the accumulation of savings, which are so essential to the capital development of any Nation;

-- to help people realize that they can help themselves, that they can work together without giving up their independence, that they can exert some control over their social and economic environment, that as one co-op leader\* said many years ago they "have within their own hands the tools to fashion their own destiny."

Each is an essential task for everyone of the developing nations. Through cooperatives, we have accomplished these things. Through cooperatives, we believe the people of other lands can do them also. So we are carrying this lesson overseas. As we meet here this morning, Americans are at work organizing, developing, guiding cooperatives with 16,000,000 family members in 45 countries around the world. These are, as President Johnson called them in his Co-op Month message: "islands of economic hope."

In the war on hunger, we are committed to helping those Nations that are committed to help themselves. The cooperative is the epitome of self-help. Without cooperatives, this world-wide war on hunger can be lost. Through cooperatives, we can achieve our goals of social, economic, and political development overseas.

Great days are ahead. Of that, I'm sure. People will live better. We shall overcome ignorance, prejudice, tyranny, hunger, and disease. As we pursue this objective, we will depend on cooperatives

- to strengthen the family-size farm,
- to develop rural America,
- to lift poor Americans out of poverty,

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\*Murray D. Lincoln, former president of the Cooperative League of the USA.

- to expand voluntary organization in our urban life, and
- to help people overseas fashion their own destinies.

So I'm happy to join in celebrating Co-op Month with you and with co-op members across this country. Great days are ahead, for all of us, if we have but the "will and vision" to master them.

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I am pleased to meet with you this morning. It's October and a good time to discuss soil and water conservation. It's also an even numbered year -- an election year. And although I would like to stay for your discussion, I must leave in a few minutes to catch a plane for a day of speechmaking in New York State.

Today I want to direct your attention to a major national challenge -- and to ask for your ideas on how soil and water conservation can make its maximum contribution in meeting that challenge.

In a recent speech President Johnson said, "We must make better use of the 99 percent of this continent which lies outside of the big cities of America."

I particularly want to repeat the President's statement to you members of the Public Advisory Committee on Soil and Water Conservation.

He was referring to current problems of the cities and to some of the solutions.

Are urban problems related to soil and water conservation?  
Let's take a look.

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Remarks of Secretary of Agriculture Orville L. Freeman at meeting of Public Advisory Committee on Soil and Water Conservation, 5223 South Building, U. S. Department of Agriculture, Washington, D. C., October 7, 1966, 9:30 a.m. (EDT).

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A few weeks ago at another conference here in the Nation's capital -- a conference on urban America -- the air was filled with talk about the staggering problems of our metropolitan centers. Smog. Water pollution. Traffic nightmares. Crowded housing. Crowded streets. Crowded sidewalks. Crowded hospitals. Slums. Ghettoes. Crime. Delinquency. Understaffed welfare workers and overworked police. And disenchantment for the millions who came to the cities looking for the promised land -- and found only the relief roll.

Yet no one at that conference seemed seriously to consider the basic answer to the basic problem of too many people for too little space!

Today 70 percent of our population is on 1 percent of our land. If migration to the cities is not stemmed, four out of five Americans will live in metropolitan areas by the year 2000. Two hundred and forty million will live in 8.7 percent of the Nation's land area, while only 60 million occupy the remaining 91.3 percent.

If the present migration rate continues, we face, in the short span of 35 years, the prospect of American cities more densely populated than the cities of Japan.

In our young Nation, the exodus from the countryside began to accelerate with the advance of technology on the farms. As fewer and fewer farmers were needed to feed the Nation, and more people moved to the settlements which grew into cities.

The exodus sharply before World War II has continued unabated ever since.

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Cities are suffering from the burden of too many bodies for the space they have, while rural areas suffer from the loss of too many of their bright young people to the urban centers.

There should be more jobs where the space is.

Our rural America should become a place where parity of opportunity exists -- opportunity equal to that in the cities. Only then will it be a place in which more people want to live and work.

That is your challenge: Help make it such a place.

Future developments in soil and water conservation should support a national effort to create in rural America more new enterprises, more industrialization -- and the growth in commerce and business that will accompany new industry in rural areas.

At the present time we are losing the equivalent of 400,000 acres of good land a year from erosion and other forms of soil deterioration.

More than a billion dollars a year in flood damages still is lost in the Nation's upstream watersheds.

Sediment damage in upstream areas costs \$87 $\frac{1}{2}$  million a year -- most of which could be prevented by small watershed projects.

These are shameful statistics that point to impending national catastrophe unless they are reversed. You, the Nation's leaders in soil and water conservation, are acutely aware of the calamitous potential that is present. And I am aware of your efforts to avert the danger, and am grateful to you for them.

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You and I know that this is no time to pause. This is the time for decision and actions. This is the time for building on the foundation we have already established.

Let's look for a moment at part of that foundation.

It's made up of people, their organizations, their government and their individual and combined actions.

For example, about 50 percent of the personnel of the U. S. Department of Agriculture is engaged in some kind of conservation work. And most of their work, as you know, is carried out in cooperation with public and private organizations. One example of this cooperative effort is the development of small watershed projects.

These projects -- by offering a water supply, recreation opportunities, and security against floods -- have brought more than 500 new business enterprises to the communities in which they were developed. The new enterprises have provided jobs for nearly 10,000 people.

On top of that, around 650 businesses expanded and gave employment to an additional 11,000 people.

That's not all. The building of these watershed projects provided nearly 30,000 man-years of employment.

A total of 522 watersheds has been authorized for operation since 1960, and 94 were approved in 1966.

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New and improved community water systems make up another part of the growth in soil and water conservation. Modern water service was brought to approximately 985,000 people in 1,417 communities between January of 1961 and June 30 of this year. The systems were financed with U. S. Department of Agriculture loans amounting to 209 million dollars and by grants totaling \$18.6 million.

Let's not overlook achievement in the area of recreation as a feature in making rural America a better place to live. During the last three fiscal years, 1,520 additional National Forest campgrounds, 250 picnic grounds, 170 boating sites, and 15 winter sports areas, among other developments, have been established.

There have been individual achievements in that category, too. More than 34,500 land owners and operators have established one or more income-producing recreational undertakings. About 3,200 have even changed their total operations to include recreation as a primary source of income.

Much remarkable progress can be credited to the Resource Conservation and Development Projects. It was my pleasure only last week to announce authorization of planning assistance to six new RC&D projects.

They have an aggregate of about 20 million acres in the States of Illinois, Louisiana, New York, South Carolina, Texas and Utah. And I have directed the Soil Conservation Service in cooperation with other Department agencies to give planning assistance to the local sponsors of these projects.

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The six new projects bring the total up to 26 approved for planning or operations since we started the program early in 1964. It speaks well of the soil and water conservation leadership that so many have been started in so short a time..

The Resource Conservation and Development Projects offer one of our best opportunities to step up soil and water conservation programs in meeting today's urgent need. These projects represent a new approach to assisting rural areas in the full development and multiple use of land and water resources to create new jobs, new recreation areas, and to increase rural income opportunities.

RC&D is broadening our programs of assistance to soil and water conservation districts.

It is accelerating the small watershed program and emphasizing multipurpose development watershed projects.

It is assisting in recreational developments on private lands.

It is emphasizing beautification of the countryside.

It is creating better rural facilities, such as ample water supplies, so that industry will be attracted to rural areas.

It is helping eliminate the causes of rural poverty.

It is strengthening the family farm pattern of agriculture.

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It is establishing a reservoir of experience which the developing Nations of the world -- largely rural and agrarian -- can adapt.

It is helping make rural America a place where millions more of our citizens can live and work and play.

I have reviewed progress in Resource Conservation and Development Projects as only one example of advancement in conservation. I could discuss many other facets. But it shows what can be done.

It shows that our concept of conservation has been growing and taking new form as was so ably expressed by President Johnson in his Congressional Message on Natural Beauty in 1965 when he said:

"Our conservation must not be just the classic conservation of protection and development, but a creative conservation of restoration and renovation. Its concern is not with nature alone, but with the total relation between man and the world around him. Its object is not just man's welfare but the dignity of man's spirit."

It is in that context that, today, I have called your attention to one of this Nation's greatest burdens. I have discussed the relation and contribution of soil and water conservation in eliminating the burden.

I have discussed examples of things already being done. And you, as the Public Advisory Committee for Soil and Water Conservation, have the challenge of providing guidelines for still greater achievements in the future.

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Specifically, you have the challenge of coming forth with ideas on how those engaged in soil and water conservation activities can play a greater role in the accomplishment of four things:

One, the creation of more job opportunities in rural America.

Two, the establishment of new industries and new enterprises in rural America.

Three, the improvement of public facilities.

And four, the development of outdoor recreation and the enhancement of natural beauty.

You have the overall challenge of projecting ideas and national leadership, in soil and water conservation, that will give us a more attractive and prosperous rural America. The solution to stemming the migration tide lies in that direction. You lead the way. The job-makers will follow.

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It is most encouraging to see what was a dream for so many years now a reality -- to see this National Recreation and Park Association a strong, healthy union of all the leading organizations in this field.

And I'm delighted to have the opportunity to talk with you about our problems, our challenges, but, most of all, about our opportunities.

Though he was not speaking of this Congress or of this Association when he uttered the words, I believe that our purpose was never more eloquently expressed than in President Johnson's Great Society speech at Michigan University some 2-1/2 years ago.

"We have always prided ourselves," the President said, "on being not only America the strong and America the free, but America the beautiful. Today that beauty is in danger. The water we drink, the food we eat, the very air that we breathe, are threatened with pollution. Our parks are overcrowded. Our seashores overburdened. Green fields and dense forests are disappearing.

"A few years ago we were greatly concerned about the Ugly American. Today we must act to prevent an Ugly America."

Not only you and I but people throughout this nation are no longer content to live in drab, dull, dirty, unexciting towns and cities.

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Address by Secretary of Agriculture Orville L. Freeman before the National Congress for Recreation and Parks, Washington-Hilton Hotel, Washington, D.C., Tuesday, October 11, 1966, 10:30 a.m., EDT.

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They are no longer willing to put up with stagnant, deteriorating, dying rural communities.

They are alarmed by the pollution of our streams, rivers, and lakes.

They are disturbed by the diminishing availability of open space in relation to the exploding demand for such space.

Our purpose is to help them do something about it. And there is no time to lose.

No longer can the average American boy take a walk in the woods only 5 minutes from his home. The "ole swimmin' hole" of our tradition is likely to be forgotten unless we do something to keep it or provide a substitute for it. The wild creatures that are a part of our heritage will not survive unless we do something to protect them.

Yet every year, 9 out of 10 Americans -- some 175 million of us -- are on the move in search of outdoor fun -- places to picnic, swim, hunt, fish, play, or just to relax and enjoy the fresh air and sunshine. Great as the demand for such facilities already is, we expect it to triple by the end of this century.

This growth will flow from four major factors: (1) Population, expected to nearly double by the year 2000; (2) disposable income, likely to quadruple; (3) leisure time, to increase by one-third; and (4) auto travel, headed for a fourfold increase over present levels.

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In earlier days there was always a leisure class -- with time for recreation.

Today when the average person has more free hours than working hours in his lifetime we are on the threshold of becoming a leisure society -- with a gargantuan appetite for recreation.

This is the dimension of our challenge.

We must make sure that the American citizen of 1980 or 2000 will have ample opportunity to benefit from the special cleansing of the spirit from frustration and cares that is provided by outdoor recreation that is esthetically pleasing -- that is convenient in location -- that is reasonable in cost -- that retains the unique flavor of nature.

We must preserve access to the spiritual uplift that comes from being in a place where the breaks in the silence are the splash of a canoe paddle or the leap of a fish, and the songs of birds, where the water is clean and clear and cool, and the pines reach high into the heavens.

This is the recreation challenge. Can we meet it? I believe we can and will.

But there is one sure way to fail to meet it -- that is by attempting to resolve the recreation challenge by itself. We cannot meet it piecemeal. We can adequately meet it only in the context of the total environmental challenge.

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Our recreation problems are symptomatic of an illness in American society -- symptomatic of space-starved cities and a job-starved countryside.

We have crowded 140 million Americans -- 7 out of every 10 persons -- onto just 1 percent of our land and the result is urban blight.

On the other hand, only 57 million people -- 3 out of 10 -- live on 99 percent of our land, with a double share of the nation's poverty.

Worse still, if present trends continue in the next 25 years, 100 million additional Americans will be piled up on top of the 140 million already in our cities and suburbs -- enough more people in the cities to stack 13 more New Yorks on the present New York.

Do we realize what this would mean? It would mean more social and economic ghettos; more urban sprawl on the edges of cities created by those who can run, but not very far, from the center; more impatient traffic inching along more congested streets; more smog in the air and more filth in the water; more devastation of the countryside -- and the disappearance of the last vestige of adequacy in recreation facilities.

I take direct issue with the notion that continued mass migration from country to city is inevitable -- and even desirable.

I take direct issue with the concept that tomorrow's America must consist of a few huge megalopolitan complexes strung together by superhighways running through endless miles of empty land.

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I take direct issue with those who suggest that we spend \$1 trillion over the next 10 years trying to prepare our cities for continued mass migration from the country -- \$1 trillion to make a start toward bringing order out of impending chaos.

The October 3 issue of U. S. News and World Report cites this as among the suggestions recently made by experts on city problems.

I say that this is not desirable.

I contend that continued mass migration of unprepared people to the cities is not inevitable.

I say it is folly to stack up three-quarters of our people in the suffocating steel and concrete storage bins of the city -- while a figurative handful of our fellow citizens rattle around in a great barn full of untapped resources and empty dreams.

We all know we must have healthy, thriving cities. We know that our economy could not exist without them. We know that every effort must be made to strengthen the cities and cure their ills.

And we know that already it is hard to live the good life in American cities.

But it will become even harder to live the good life in our cities unless the forced migration of millions of Americans from rural America to the urban centers is slowed, stopped -- and reversed.

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I am not suggesting the dismantling of the cities. They will continue to grow -- and rightfully so.

I am not proposing a back-to-the-farm movement.

I am not implying that all is right in rural America. It isn't.

I am not recommending that the mobility of human beings become a computer decision rather than an individual and family determination.

What I am suggesting is that we, the people, take better charge of the environment -- that we control it, if you please, in a way that creates a more reasonable and responsible national distribution of productive and creative enterprises and utilization of workers.

An orderly migration of the well-prepared, yes. No one will discourage that. But a disorderly, forced migration of the ill-prepared, no. In our own country, as in much of the rest of the world, far too much of our urbanization has been of the latter character.

We have the opportunity, with our tremendous national energy and enterprise, to take into hand the changes that are going on in our environment -- to guide these changes so that we do not sacrifice the very qualities that make for a good life and a great society.

How can we do this? We can do it by creating economic opportunities in rural America that will enable people who want to stay in their home communities to make a decent living there. And recreation development can and must play a vital part.

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We can do it by providing equal access to credit for rural people who would borrow for housing, for community facilities, and for business investment, including income-producing recreation.

We can do it by assuring equal opportunity for every rural child to get a first-class education, from pre-school to college, so that he can participate effectively in developing the rural economy or, if he migrates to the city, can compete on equal terms for city jobs.

We can do it by waging a war on poverty in rural America on a scale equal to that which will be carried out in our urban centers.

Finally, and basic to all of these, we can do it by careful planning -- at the local level, at the regional level, at the State level, with assistance from the Federal level.

Rural America has a great deal to contribute to a more constructive control of the national environment.

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It has growing numbers of adequate family farms that constitute a solid and continuing economic base for rural communities in the days ahead.

It has some of the Nation's finest institutions of higher education in Land Grant and other public and privately-supported universities and colleges. It has writers and artists, teachers and preachers, and philosophers outside as well as in the barnyards.

But above all, it has space. Freedom from congestion. Space to breathe. Space to live. Space to grow. Space to play. Space to drive and space to park. It has community identity and community pride.

It has room for outdoor recreation -- not only for its own people, but for city neighbors. It has trees and grass, and freshly-developed lakes and reservoirs. It has space for the good life.

We shall never adequately meet the recreation challenge except by resolving also the paradox of space-starved urban America and job-starved rural America.

But significantly, our efforts to meet the recreation challenge will play an important role in resolving the great paradox.

The Department of Agriculture, therefore, is promoting recreation through its technical, financial, research, and educational programs. Our recreation effort is not an end in itself. It is part -- an extremely vital part -- of our efforts to create a better total environment.

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Now I would like to run quickly down the list of our USDA recreation programs so that you will know the resources we have mobilized. This will be helpful, I think, in the overall planning and cooperation necessary to reach our mutual goals.

First, let's look at our public recreation programs. The National Forests and Wilderness Areas administered by USDA are the world's biggest outdoor playground, covering over 180 million acres in 39 States and Puerto Rico. This year our people are using the National Forests for recreation to the tune of over 160 million visitor days.

These people spend hundreds of millions of dollars in rural regions for gasoline, food and lodging -- for photographic, camping and hunting expenses -- for guides, professional services, and renting boats and horses. A 1960 survey showed that hunters and fishermen spent about \$6.00 per person a day. Winter sports enthusiasts pay more -- overnight skiers, for example, spending an average of \$14 to \$16 a day.

This kind of spending is bringing prosperity to many rural communities. The little town of Warren, Vermont, has taken a new lease on life since 1960 as a result of recreation developments in the Green Mountain National Forest. Last year, the ski area alone was used by 215,000 skiers. The year-round recreation development has brought Warren four restaurants, two gas stations, and 12 hotels, motels, and guest houses with 3,000 beds.

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With demand for recreation booming, Walt Disney Productions has contracted to develop the Mineral King area in the Sequoia National Forest in California. Disney plans to spend \$35 million to develop an Alpine village with ski lifts, hotels, restaurants, and shops employing at least 600 permanent personnel and up to 1,000 seasonal employees.

We are adding to our USDA administered public facilities as rapidly as feasible. Last year we expanded our Forest Service campgrounds, picnic areas, and other facilities to the point where they can now accommodate about 420,000 persons at one time -- 30,000 more than a year earlier.

You will know that we've been in the forest recreation business for a long time. You may be less aware of our more recent recreation ventures many of which were begun in the past 5 years.

Some of these involve cooperation with local governments, cities, and regional and community organizations. Thus, in 26 Resource Conservation and Development projects, USDA technical and financial help is, or will be, available to local leaders to develop area-wide recreation.

In west central Minnesota a 70 mile canoe trail has been completed on the Crow Wing River. Last year the Crow Wing Canoe Trail played host to more than 5,000 canoeists. A companion saddle trail along the River is another attraction, permitting horseback riders to explore the old logging roads through the pines. This is healthy -- both for the visitors and for the local rural economy.

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Our small watershed projects offer opportunities to cities, towns, and rural areas throughout the Nation to enlarge water-based recreation potential. In the past 4 years, local sponsors in 31 States have received USDA help on 95 recreation developments for public use. These developments, including 46,000 acres of land, will provide more than 5 million man-days of recreation use per year.

The Mud River Watershed Project in Kentucky, for example, has created a 900-acre recreation lake, which is expected to provide 15,000 man-hours of fishing and attract several thousand visitors annually. Side effects include the sale of 200 lakeside building lots and construction of 50 cabins, a \$45,000 sportsman's lodge, 30 miles of public roads, and a new bridge costing \$145,000.

Our Cropland Adjustment and Cropland Conversion programs are opening up large areas for recreation. This year about 500,000 acres of land will be available to the public, without charge, for hunting, fishing, hiking, and trapping under the public access features of the CAP program. Agreements have been, or are being, signed to open land on about 6,000 farms to such public use, in accordance with State and Federal laws.

The Greenspan idea, authorized last year as part of the CAP, enables us to share the cost of making unneeded cropland near cities available for recreation use. In Clinton City, Utah, for example, city officials received payments that helped them buy and convert 17 acres of cropland to playgrounds, ball diamonds, tree-shaded picnic grounds, and other recreation facilities.

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We are making an intensive effort also to help farm and rural people develop farm-based recreation as a direct source of income. The list of projects for which we offer financial and technical aid includes riding stables, picnic sites and campgrounds, game and fish preserves, boating and swimming, golfing, vacation farms, and many others.

For about 3,300 rural landowners, recreation has now become their major source of earnings. This number will grow.

For many others recreation supplies supplementary income. During the past three fiscal years, our Soil Conservation Service has given technical assistance to more than 31,500 rural landowners to develop one or more recreation enterprises on their land.

Over 700,000 farm ponds and reservoirs built on private land with USDA assistance are stocked with fish and about 300,000 are open to the public, many of them on a fee basis.

Some 600 farmers have borrowed \$3.6 million from our Farmers Home Administration to develop income-producing public recreation areas. In addition, a growing number of low-income rural families is being aided through Economic Opportunity loans to establish recreation businesses.

This brief and incomplete listing shows the broad range of our USDA recreation activities. I hope it will set you to thinking about how the use of these programs can be expanded and improved in order to provide the broadest possible benefit to the American people.

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I hope you are asking yourselves: How can my organization, or my community, best participate? How can I help make these programs more widely known?

For surely we all recognize that the effectiveness of these recreation services is, and will be, determined to a great degree by how many or how few interested persons, groups, communities, and areas are aware of their existence -- and of their potential.

Like you, I believe in the worth of what we are doing.

I believe outdoor recreation offers a truly exciting opportunity, not only to supply a service for all Americans -- urban and rural -- but to contribute markedly to the revitalization of the rural economy. And this, I emphasize again, is vastly important to the whole of American society.

I know these enterprises can earn income. It is estimated that the American people today spend more than \$20 billion a year on outdoor recreation. By 1980 they may spend about \$47 billion -- nearly  $2\frac{1}{2}$  times as much as now.

I know that recreation can create jobs. By 1980, total employment in the management of public recreation areas and in the operation of tourist and related private recreation services is expected to reach about 1.4 million -- an increase of more than three-quarter million new jobs from 1960.

As many as 350,000 full-time jobs may result from farm and other rural recreation enterprises by 1980.

I am encouraged by the numbers and the dedication that I see here today. There is a new awareness in the land. The people are making it clear that they want, and they are willing to pay for, a beautiful America -- an inspiring and invigorating America.

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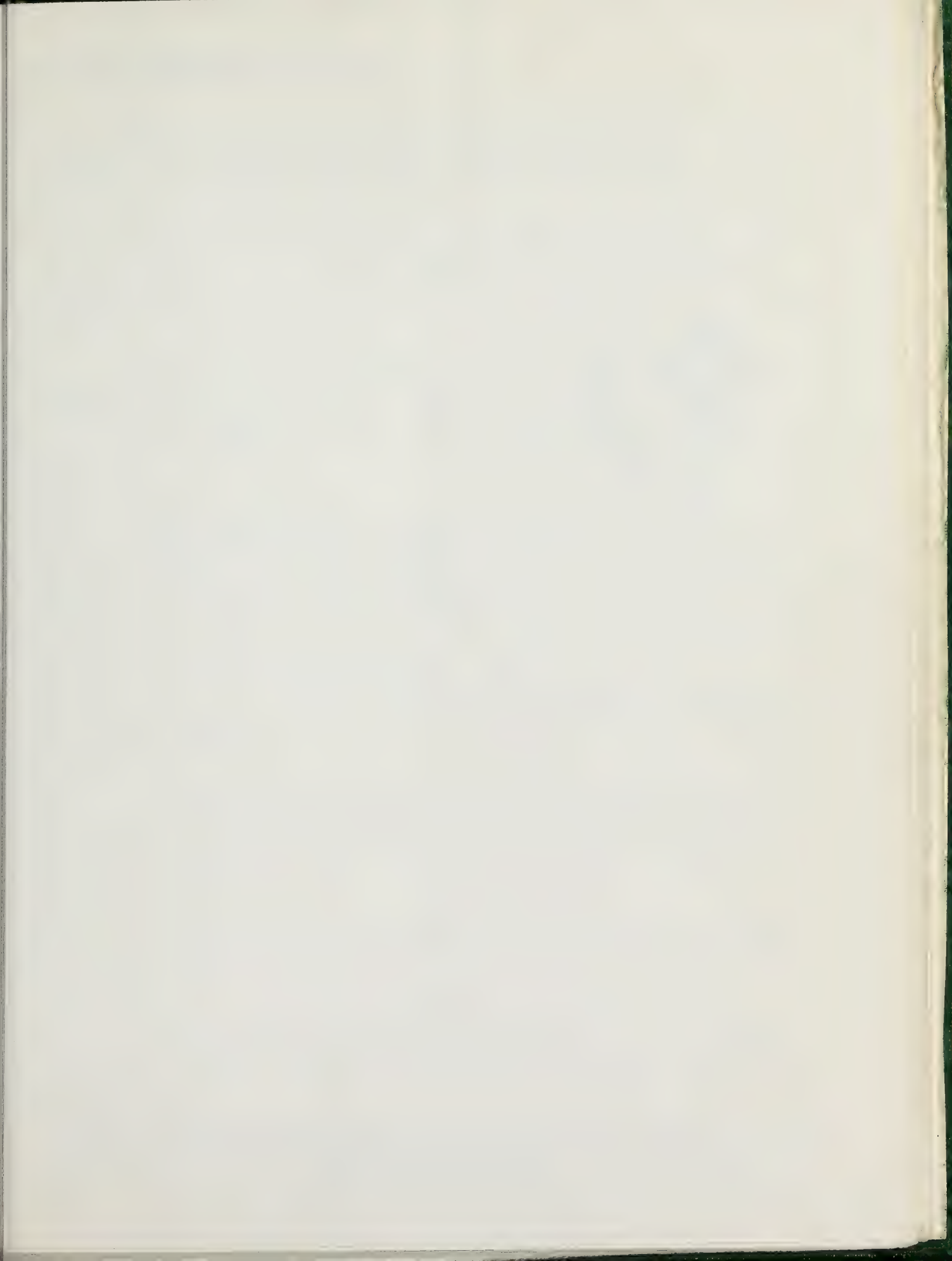
The need that exists now and that will exist triple-fold by the end of this century is the measure of our challenge.

The desire for a beautiful America that exists now and that can and must be fanned to full flame tomorrow is the measure of our opportunity.

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Recently, I met with a group in a small room off my office. The walls were covered with editorial cartoons from my early days as Secretary.

For the first time in months, I really looked at the cartoons. Most of them reached back to 1962 and 1963. They belabored me as the custodian of surpluses.

There was Saint Nick refusing to put anything in my stocking because I already had more than any man could want...Congress stitching another patch on my legislative pants as we tried a new tack to bring the surpluses under control.

Looking at the cartoons, I thought how dramatically America's agricultural situation has changed. We have gone from agricultural excess to growing concern of possible world food shortages.

And I found myself wondering:

How would they depict me today? How would they capture the transformation that has taken place?

Would they put me on a tightrope, with a suffocating reminder of surpluses on one side, and the bottomless chasm of world hunger awaiting a mis-step on the other?

Would they show John Q. Public gleefully disposing of a grain storage bin with an ax?

Or would they, in their penetrating way, knife to the very heart of the matter and capture with the stroke of a pen the true meaning of what has happened?

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Address by Secretary of Agriculture Orville L. Freeman at the annual convention of the Farm and Industrial Equipment Institute, Miami Beach, Florida, October 12, 1966, 10:50 a. m. (EDT).

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Would they impale on paper for all to see the vigor, the unleashed power of this Nation's agricultural might; its potential for world peace and national economic growth now that it has been freed from the suffocating shackles of overpowering surpluses?

For there is one undeniable fact:

The surpluses are gone!

The \$9 billion burden that the American farmer carried on his back -- that stood like a giant stumbling block in the path of expansion of this Nation's agri-business -- has been eliminated.

Eliminated by design -- not chance. Eliminated by farmers who cooperated with and advised this Administration in six years of unceasing effort. Eliminated by an urban Congress that considered and enacted constructive farm legislation every year for five straight years. Eliminated more quickly than predicted by strong demand world-wide occasioned by a growing population and economic progress.

Excess reserves still exist in cotton, tobacco, and a few other crops, but we are working to bring these in line with other major commodities.

What does this mean?

What are the implications of this transformation? How will it affect the farmer, the implement manufacturer, the housewife, the Nation's economy? What of the people in the food-short nations? Will they be faced with greater hunger, laid open to greater unrest?



I believe American agriculture has the greatest opportunity in history to thrust forward and achieve at long last that elusive goal -- full parity of farm income.

With continued national economic expansion...with the surplus problem under control and with new legislation to help keep it there, we have the springboard we need to enable the farmer-businessman to earn as great a return on his inputs of capital and labor as any other self-employed American businessman. And when he does the related agri-business community will prosper too. I am not talking now of some far distant future.

By 1970, we expect most, or all, of the family farmers in the \$10,000 or above marketing bracket to have achieved full parity of income.

I predict that in achieving the goal, they also will make it possible for the American consumer to spend an even smaller percentage of his income for food. That despite the fact that we already boast the lowest income-food cost ratio in the world. Scientific breakthroughs and increased productive power will make this possible.

By 1970, I expect our agricultural exports to hit the \$8 billion mark, with all but \$2 billion of that figure being in commercial food sales for dollars.

American agriculture also will be more than ever front and center in our striving for world peace. Only by making it possible for the food-deficit countries to feed themselves can we avert mass famine world wide. There can be no peace in a world gone mad with hunger. We are sending more and more teams of agricultural experts to countries that receive food aid to impart to their farmers and related enterprises our production and marketing know-how. In addition to promoting greater world stability, this strengthens their national economy, and opens new avenues of world trade. It is significant and very important that at long last the Less Developed Countries seem to have recognized that a sound agriculture is the prerequisite to real economic progress. Now we must help them catch up. Much time has been lost because agriculture has been neglected until recently.

Now then, you noted, I am sure, an important "if" in my predictions. This optimistic prediction was based on some important conditions: continued national economic expansion; continued cooperation of farmers and other segments of agri-business in our new farm programs; continued support of the Congress.

Let us examine how we reach this target in more detail.

But first -- where are we now as a Nation?

As you are well aware, we are enjoying unparalleled national prosperity.

This year, Americans have \$40 billion more to spend than they had last year.

Personal income, corporate profits after taxes, and gross national output are at all-time highs. 1966 marks the fifth year of uninterrupted economic expansion. We are close to the long dreamed of goal of a full employment economy.

In such a soaring economy, we can hardly avoid some inflationary pressures. The sheer abundance of spendable dollars, the heated competition for goods and services, is bound to generate an inflationary spiral.

It is happening in each of the advanced industrial nations around the world.

Living costs have gone up 14 percent in the United States since the 1957-59 period. They have gone even higher in other countries, ranging from 21 percent in West Germany and 24 percent in the United Kingdom, to 35 percent in France and 47 percent in Japan. The real income of the average American increased 23 percent during this period. Per capita income -- disregarding increased prices -- has actually gone up 38 percent.

This Administration has fought, and will continue to fight, to stem rising costs. President Johnson has already taken steps to restrict inflationary pressures, and he will take additional steps, when and if they are needed. The fact that we have held down living costs better than other countries and have increased the income of most Americans much faster than living costs have climbed is no reason for complacency.

Food costs have been somewhat controversial of late. What part do they play in the rising cost spiral?

Much of the concern is generated, I believe, by the fact that food prices seemed to hold more or less steady for a long period, then spurt upward, rather than increase gradually as other prices did.

I know it is cold consolation to your wife and to mine when they reach the supermarket checkout counter and actually pay out more dollars, but the fact is that the real cost of food -- the cost measured as a percentage of income and in hours of work necessary to buy it -- that cost has held about steady this year and has been going steadily down -- not up, since 1951.

Let me illustrate by citing what a factory worker could buy with one hour of labor this summer, compared with one hour of labor in 1960.

... Bread: 12.4 loaves, compared with 11.1 loaves in 1960.

... Round steak: 2.5 pounds against 2.1 pounds.

... Milk: 9.8 quarts, compared with 8.7 quarts.

... Potatoes: 34 pounds, versus 31 pounds in 1960.

So the consumer, in real terms, hasn't suffered. And the farmer at long last is getting some desperately needed improvement. Improved farm prices and new government programs will push gross farm income over the \$48 billion mark this year -- a record high.

Net income will be boosted to an estimated 16.1 billion this year. That would be an increase of \$4.3 billion over 1960, if you will permit me a mildly political note.



Every one of those dollars has a special impact on the farmer's Main Street and in the industrial centers of the East and Midwest before it circulates back into the national economy.

Part of the money is spent with the local businessman -- for food, clothing, medical care, education, and the like.

But the majority of it -- two out of every three dollars that the farmer receives is gross income -- goes for equipment and production supplies.

I need not tell you what this has meant to the farm equipment industry.

I understand that your sales figures indicate that more than \$1,000 per farm will be spent this year on new machinery -- almost triple the 1956 figure.

You are building new plants, hiring new workers, training new maintenance personnel -- all of which contributes to national economic growth. During this period of growth and expansion I am confident you will exercise the pricing restraint called for by the President to prevent inflation from making a hollow mockery of our increased earning power.

Furthermore, farm exports are the leading factor in trying to maintain our critical balance of payments with the rest of the world.

Feed grains are the number one dollar earner among all American exports, including industrial products. In dollar volume, they exceed the number two export item -- motor vehicle and tractor parts -- by \$100 million.

Incidentally, feed grains, wheat, and soybeans, are all members of agriculture's billion dollar club -- products whose exports exceed the billion dollar value each year.

You helped make it possible by providing the farmer with the productive power he needed to compete in world markets.

I think it fair to say that the Congress and the Administration provided the kind of government leadership and helped create the economic climate that also contributed to this international export mark.

Enough then by way of background. How do we consolidate the gains we have made and move ahead?

Much depends on the national economy and how we operate our farm programs in the critical period ahead; on how well we maintain the balance between supply and demand once the excess reserves are gone.

It is vital that our programs operate at maximum efficiency for the next few years so that we build the necessary confidence to maintain the balance we are now beginning to enjoy.

Unless we do, we will not reach our targets.

It will not be easy. There are many uncontrollable factors. Variations in weather could mean a difference in corn production of as much as 10 bushels an acre. On 70 million acres, that would be the difference between a shortage or a surplus. We also must balance what we do against what is happening in other countries.

Take, for example, the transformation of Soviet Russia from grain exporter to grain importer. Canada had recently signed a three-year wheat export pact with the USSR. Then, last week comes the announcement of a record Russian grain crop that clouds the picture. Recent reports from India have turned pessimistic. The Monsoon, it appears, has fallen 15 to 20% short of normal. It appears that earlier crop forecasts are being revised downward.

Thus we see the complicated and critical nature of the decisions to be made.

I believe, however, that the Food and Agriculture Act of 1965 gives us the flexibility we need to achieve our goal of full stability in all commodities.

It makes it possible to encourage production upward as well as downward -- to move ahead to provide the abundance we need, and to cut back when necessary to prevent a build up of supplies we cannot use.

This managed abundance can be programmed in two ways: through storage of surplus foods, or by having surplus acres in reserve to produce food upon demand.

Men of good will, concerned with an exploding world population, can honestly differ over what constitutes adequate reserves. If money were no object, it might be desirable to have a two-three-or even four-year supply of food on hand to meet any conceivable emergency. However, even a small oversupply can have a severe depressing effect on the market. Economically, this would be a wasteful policy, one which would not, in all probability, win public support.

We therefore have chosen the second course: to maintain a ready reserve of land that can be called back into production as needed; to maintain balanced reserves, and to avoid costly and price depressing surpluses.

This is the tripod upon which our goal of full stability rests.

Production adjustments to two commodities -- soybeans and cotton -- illustrate how the 1965 Food and Agriculture Act can operate to bring supply and demand into closer balance.

We needed more soybeans, so the price support this year was increased from \$2.25 to \$2.50. Producers also were allowed to plant soybeans on permitted feed grain acres while continuing to earn support payments. A record crop was the result.

On the other side of the coin, the cotton surplus problem is still serious. Through the new legislation, we were able to lower the price support loan rate, and couple this with direct payments to farmers who cooperated by diverting about 4.5 million acres this year. It also is expected to stimulate exports and domestic use by making cotton available at competitive prices.

Because of this program, we expect to reduce this year's crop to 11 million bales -- which would be 25 percent below 1965 output.

With our carryovers coming down to levels we set as our objectives in 1961, we are beginning to call forth reserve acreage for production of needed commodities. Wheat acreage will be up nearly a third for the 1967 planting. Rice acreage has been increased by 10 percent. I expect to announce as soon as possible an increase in feed grain acreages. And next year, soybean production will climb to a new record of one billion bushels.



Thus, we find that half our diverted acres may be brought back into production next year to meet new domestic and overseas demands.

With the increase in farm income and the decline in farm surpluses, the hue and cry is being raised again in some quarters to do away with Government farm programs.

To me, this makes about as much sense as a banker resetting the tumblers on a vault after he has finally learned the combination.

There are two basic reasons why our farm programs continue to be essential.

First, the farmer still has the capacity to far outproduce what he can efficiently dispose of at home and around the world.

Take feed grains, for example. Economists, both in the Department and in private business, estimate that without the voluntary feed grain program, production would increase from around 157-1/2 million tons to about 205 million tons. It would take a freight train reaching from Miami Beach to San Francisco and back to hold that increase. Put that extra grain in boxcar circumference silos, and you would have to build silos reaching 145 miles into space in each State in the Union. NASA might object to that.

In an economy where bigness is the rule, the farmer is one of the few remaining small operators -- small in terms of percentage of the market he supplies, compared with a Chrysler, a Ford, or a General Motors in the automotive field, for example. There are millions of farmers. But those who buy his products are numbered in the thousands. The farmer has very little muscle in such a market.

The primary role of farm programs is to provide him that muscle -- to enable him to work with other farmers to stabilize supplies and prices.

Second, those who advocate a return to the "free market" forget that millions of babies in food-short nations have no buying power in the marketplace.

Our farm programs make it possible for us to encourage production of what is really needed so we can accommodate both human (concessional) and commercial needs. Otherwise we won't produce the right mix of what is needed. The starving people around the world have no money to influence through the marketplace what is to be produced.

The agricultural successes of 1966 were forecast in early 1962 by the ABCD -- Abundance, Balance, Conservation, and Development -- and in 1964 by the CCC -- Commodities, Conservation, Communities -- programs.

Methods have changed -- as witnessed by the shift from compulsory to voluntary programs -- but the goals have remained constant.

With voluntary cooperation by American farmers, with expanding exports and steady development of jobs and public and private services in rural America, with improved cooperation between producer and the agri-business community we have entered the threshold of a new era in agriculture.

I am confident we can make it a bright one.

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FOOD AND PEOPLE: WHAT WE CAN DO

C & R-ASF

Mr. Chairman, delegates to the Cooperative League's' 25th  
biennial congress, friends:

It seems to me quite in character for the Cooperative League on  
the occasion of your fiftieth anniversary, to be looking forward to  
"the next half century," instead of looking backward, gloating over  
past accomplishments. For the Cooperative League has, since its  
organization in 1916, based its efforts less on what has been than on  
what might be tomorrow. Your confidence that man can use the voluntary,  
democratic, self-help technique of cooperation to overcome hunger,  
ignorance, prejudice, tyranny, and disease has lighted candles of hope  
not only in this land but in lands beyond the seas.

This transition from your first half century to the next 50  
years is marked by deepening concern over the outcome of that ancient  
race between food and people. And with good reason. For the encouraging  
advances in per capita food production among the developing countries  
that encouraged us during the 1950's have been reversed.

As of today, we are not winning the war against hunger. The grim,  
Apocalyptic figure of Famine gallops across the earth, casting an  
ominous, lengthening shadow over the immediate years ahead.

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Remarks by Secretary of Agriculture Orville L. Freeman at the 25th  
Biennial Congress of the Cooperative League of the USA in St. Paul,  
Minnesota, Thursday morning, October 13, 1966.

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Virtually all the studies since World War II have underestimated population growth and, hence, the demand for food, and they have overestimated the developing countries' ability to accept improved techniques for food production. The net result is increasing food deficits throughout two-thirds of the world. Once, not so long ago, we discussed the food-people problem as though it were a problem of the future. It is not. It is here now.

You've heard the people projections. You know how man struggled for thousands of years to put a billion people on earth, how within the past 65 years we've added a second billion, and how we'll add a third billion by 1980 -- less than 15 years from today.

World food production has not kept pace. The world's output of food was the same in 1965 as in 1964. Yet in that single year the number of people increased 63 million.

In many of the hungry nations, half the children die before they reach the age of six. Of those who survive their sixth birthday, two-thirds suffer malnutrition, which often stunts not only their physical growth but their mental capacities. In Southeast Asia, 40 percent of the people die by the age of four; in the United States, 40 percent of the people die by the age of 60.

This explosion in population in the face of almost static food production has accompanied the great life-preserving and life-prolonging advances in medicine and public health. More and more infants survive the hazardous years. More and more adults are living longer and longer. The truth is that we are winning our war against pestilence and disease, while we are losing our war against hunger and famine.

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This nation is committed to victory in the war on hunger. We are determined -- fiercely determined -- that we will do everything within our power to help the hungry people of this world produce enough food. This determination arises out of a deep national commitment. It's not simply that the President of the United States and the Secretary of Agriculture are determined to win this war against hunger, or that this Administration is committed. It's that the American people -- who worry far more about eating too much than eating too little -- have pledged their skill, their treasure, their resources to wiping hunger and famine from the face of the earth. We are united in our determination that the most important question in the minds of most of the world's people -- "When do we eat? -- will not go unanswered.

We shall do this in two ways. We will help the developing nations produce more food and we will help them slow the population juggernaut. The key phrase is "help" -- for this is not a job we can do alone. We cannot win the war against hunger with the resources -- vast though they may be -- that lie within the United States. We can't feed the world. Instead we must encourage other nations, the hungry nations, to mobilize their resources and to give absolute top priority to agriculture in their development plans.

Under the new food program that Congress has enacted, we will underwrite with our generous assistance, encouragement, and advice those nations that take firm, decisive steps to produce more food and to control their birth rates. Under this program, the United States will provide food, loans, and technical assistance -- but only when the receiving nations have undertaken realistic self-help measures to close the gap between food and people.

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We are committed -- deeply committed -- to helping those nations that are willing to help themselves.

The cooperative -- as you know so well -- is one of the finest expressions of self-help. That's why we are using cooperatives to help people of the developing nations win the war against hunger and famine, live better, and extend their control over their nation's economic affairs.

We, as a nation, are helping organize cooperatives overseas, helping train their officers and employees, helping educate their members, helping cooperatives acquire the capital they need, helping them keep adequate records, helping them get an adequate statutory basis for development, helping them with day-to-day operations.

All this is absolutely essential. For if the world's farmers are to produce more food,

-- they must be able to market their products at fair prices and market them more efficiently;

-- they must be able to buy tools and fertilizer and seeds at the lowest possible cost; and

-- they must be able to get credit that's adapted to their particular needs.

These are jobs cooperatives have done in this country. They are jobs that cooperatives can do overseas. You recognized this. You recognized it early and you recognized it perhaps more clearly

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than any other organization. For this, our nation owes a debt to the Cooperative League and to the leadership of your retiring president, Jerry Voorhis.

Long before our Government began writing contracts with U.S. private organizations to organize cooperatives overseas, the Cooperative League began collecting dollars from co-op members to help people of the developing countries achieve thier goals of social, economic, and political development through cooperatives. You called it Worldwide Co-op Partners, and you made it a national fund-raising campaign. Through Worldwide Co-op Partners you collected the money, channeled these funds overseas, and supervised the work there. Through Worldwide Co-op Partners you carried to the vast subcontinent of India for the first time the techniques of supervised agricultural credit that we in the U.S. learned 30 years ago. Through Worldwide Co-op Partners, you helped some of the landless peasants of Latin America, streaming to the cities, organize housing co-ops and thus live -- certainly not in affluence -- but in decency.

I've seen what Worldwide Co-op Partners did in northeast Brazil -- in that poorest land, drought-stricken and desolate. There you organized little farm supply and consumer cooperatives that enabled those miserable people to live better. And what is far more, through these cooperatives they gained hope. These people will never be as poor again.

The great bulk of the work today to organize cooperatives overseas goes on under Government contract -- contracts with the Cooperative League and other U.S. organizations. But Worldwide Co-op Partners remains the spearhead. It probes into the unknown, trying

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new techniques, undertaking unusual assignments. It has been first to prove what co-ops can do. Then the contracts follow. I'm very proud to be one of the many contributors to Worldwide Co-op Partners -- proud to be a member.

We've learned many lessons with cooperatives in this country. We have a richer and more varied experience with cooperatives than the people of any other land. As we've acquired this experience, we've learned that cooperatives are a good way to get things done.

We've learned that cooperatives are a good way to produce more food and to market it more efficiently. Without this lesson, we cannot help the people of the developing nations win the war against hunger.

We've learned that cooperatives cut the cost of consumer goods, of consumer credit, of consumer services so that people can live better on whatever incomes they have.

We've learned that cooperatives encourage thrift and the accumulation of savings. Without this credit union lesson, the developing nations cannot accumulate the working capital they will need to meet their goals.

And we've learned that cooperatives help people understand that they can help themselves. Through cooperatives, the people of the developing nations will learn -- as we have learned -- that men and women can work together without giving up their independence, that they can together exert some control over their social and economic

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environment. These people of the hungry nations can learn -- as Murray Lincoln said so many years ago -- that "they have within their own hands the tools to fashion their own destiny."

So we are carrying overseas these lessons we have learned through cooperatives. These are, as President Johnson called them in his Co-op Month message, "islands of economic hope."

At home, no less than overseas, we have our problems. Changes in the basic patterns of economic life seem at times almost to overwhelm us. The stresses and strains of social reorganization are confusing and painful. In the midst of all these changes taking place so rapidly around us, I sometimes pause and remember that the great democratic experiment of the last two centuries, is -- after all -- still an experiment.

If we are to solve the tough internal problems that this nation must solve if we are, finally and at last, to prove the success of democracy, we will make better use of cooperatives in new ways, to meet new needs, as we struggle to reach our national objectives.

I like to recall how farmers have used cooperatives

-- to produce abundant food.

-- to gain fair prices for their products;

-- to light up the countryside;

-- to control the cost, quality, and availability of farm supplies and services; and

-- to fashion a whole new system of farm credit.

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I like to recall

-- how housing cooperatives have replaced the slums of lower Manhattan with graceful buildings, parks, and playgrounds;

-- how cooperatives have devised a better system of health care;

-- how our people have used cooperatives in countless ways; and

-- how cooperatives have grown so that one family in three now shares in the ownership of this Nation's cooperatives.

Yet this is not enough. In "the next half century," we must demand far more of our cooperatives. Briefly, here are some of the ways that cooperatives today are challenged to help us all to reach our national objectives.

First, it is a matter of national policy to achieve parity of income for the adequate size family farm, which is -- and will continue to be -- the basis of American agriculture. To fulfill this policy, we must use all reasonable means to help cooperatives

-- get better prices for farm products;

-- reduce farm operating expenses;

-- provide a whole new array of specialized on-the-farm services;

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- keep control of the integration of agriculture in farmers' hands; and
- help them adapt to the swift, relentless changes taking place in rural America.

Second, it is a matter of national policy to help rural and small-town residents develop their resources so they and their neighbors can live better.

Basically, this means opening up jobs in those vast areas between our population centers. It means creating jobs between Washington and Pittsburgh, between Chicago and Minneapolis, between Omaha and Denver, between Portland and San Francisco. It makes no sense for 70 percent of our people to live on 1 percent of the land. And so we will create these jobs in the countryside

- as farmers' cooperatives expand in manufacturing and processing there,
- as cooperatives attract some of the Nation's new factories to rural America by providing essential services such as water and electricity in abundant quantities at low cost; and
- as the residents of the countryside organize new cooperatives to develop local resources.

Many things are possible in rural America that would not otherwise be possible without this voluntary, democratic, non-profit, self-help technique of economic cooperation.

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For example, townspeople who want more jobs in the community, so their sons or their neighbors' sons can choose whether to seek their livelihood at home or in the city, are less concerned about an annual, after-tax return of 10 percent on their investments. They'll be willing to invest in a cooperatively-owned plywood mill -- or a woodworking mill owned cooperatively by the farmers who cut the wood -- or a fishing pond-motel-hunting range owned cooperatively by the landowners.

Third, it has become national policy to help poor Americans lift themselves out of poverty. To do this, we shall use cooperatives -- both in the cities and in the rural areas. This is one of our greatest opportunities.

We may, for example, use tenants' unions and home repair co-ops to help low-income families have a decent place to live. And we will use buying clubs so these slum dwellers can save a few dollars and learn much -- learn about the basic business relationships that are so vital in our society.

We will use cooperatives to help low-income farmers join the ranks of commercial producers of food. We will, for example, encourage them in the joint ownership of farming equipment so that, by reducing the investment each farmer must make in machinery, he will be able to earn an adequate income on fewer acres than would be possible otherwise.

We will encourage these low-income farmers to organize marketing cooperatives for special crops. I learned the other day of 365 Louisiana farmers -- almost everyone of them below the poverty level -- who this

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year expect to average more than \$500 extra on their sweetpotato crop because they're marketing it through a co-op they've just organized. For many of these people, the co-op means their exit from poverty.

By helping low-income farmers organize marketing cooperatives for new crops and build their markets, we believe many of them can adapt to changing patterns of agricultural production.

Finally, it has now become a matter of national policy that we will make our great cities habitable for man -- places where men and women can pursue their hopes in dignity -- where life is no longer overwhelmed by the staggering problems that now face urban America.

I have high hopes that, as the future unfolds, we shall use this voluntary, self-help form of social organization not only to open up opportunities in the countryside but to create urban environments where life will be better.

Voluntary organization has long characterized rural America -- the mutual telephone system, the irrigation district, the barn raising, the bull ring, and cooperatives of almost infinite variety. We have felt -- properly so, it seems to me -- that this voluntary social and economic organization has fostered the virtues both of self-reliance and reliance on one's neighbors, both of independence and inter-dependence, both of self-help and group effort.

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As we strive to open up opportunities for the vast majority of people in our predominantly urban society to live fuller, richer, and more satisfying lives, we shall, I believe, turn increasingly to voluntary organization -- rely less on compulsion -- to meet our goals.

Already, there are promising beginnings. Group health plans have pioneered an extremely efficient organization of medical services. Other co-ops have proved that decent housing can be brought within the reach of even moderate-income families.

Yet these are only beginnings. Much, much remains to challenge the generation of Americans now reaching maturity. We must find ways to adapt cooperatives and other voluntary forms of social and economic organization -- to transfer the lessons we have learned so well in the countryside -- to the great cities and their rings of suburbs. Let us work together.

So I look forward to "the next half century," confident that cooperatives will accept the challenge of their new and enlarging opportunities. I'm confident that cooperatives will in this future -- as they have in the past -- enable us to live better, to meet our national responsibilities both at home and abroad.

We will use cooperatives

-- to help people overseas win the war against hunger and attain their goals of social and economic development;

-- to strengthen the adequate-income, family farm, which is the basis of American agriculture;

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- to develop the resources of rural America;
- to lift poor families out of poverty; and
- to expand the voluntary economic and social organization of our urban life.

In the forefront of this effort will be the Cooperative League. For that is where you have been these last 50 years, and there you will stay. In the forefront.

A Great Society is possible tomorrow. In the making and building of that Society, cooperatives will and must play a key role. And the Cooperative League will continue as an ever more powerful and persuasive force to see that they do. Your imagination, your leadership, your concern for both urban and rural America, your intense devotion to the principles of voluntary, democratic organization are a great national resource. I know you will use it well.

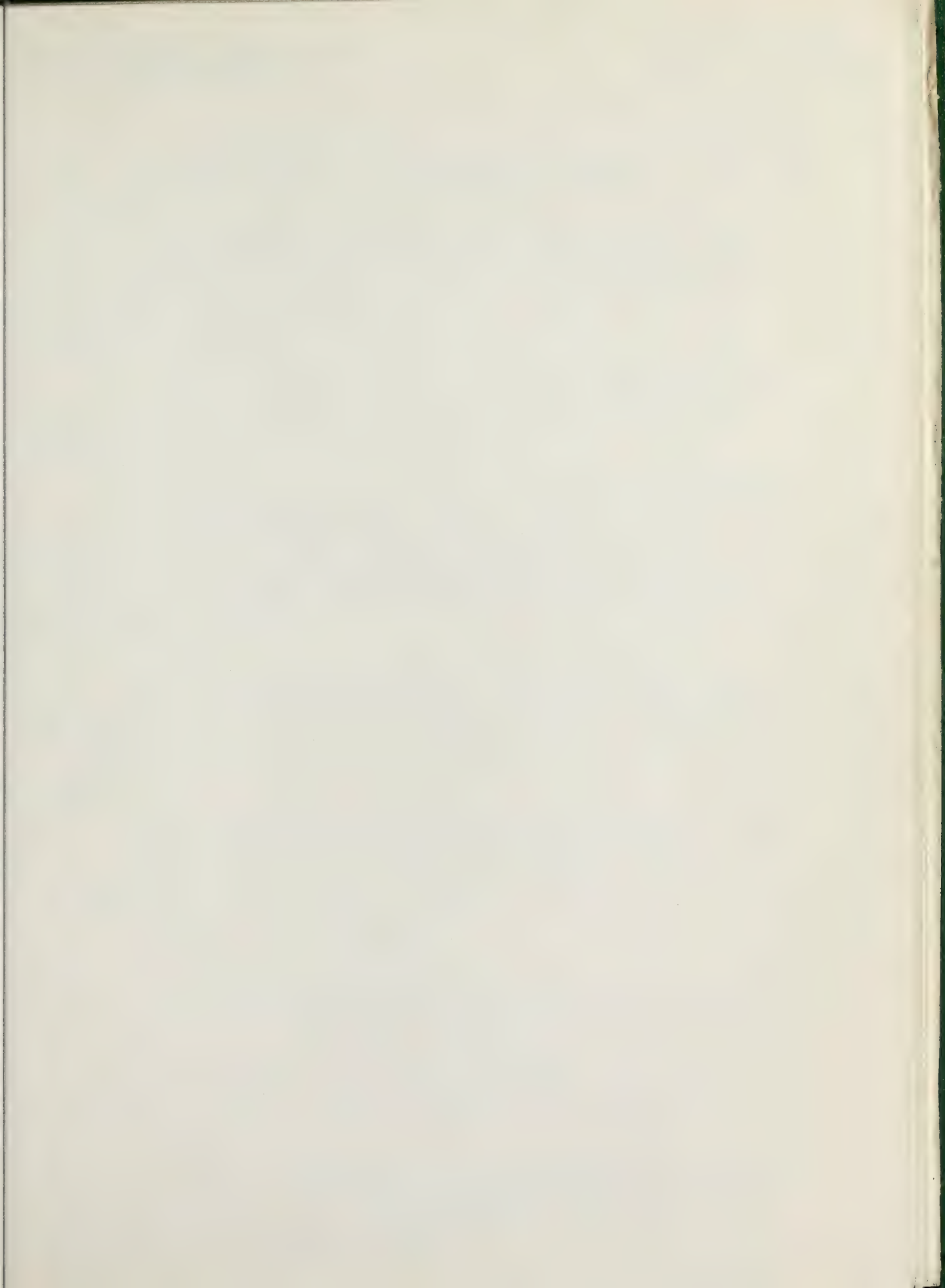
In this work, I'm determined that you shall have in Government an able partner. The Department of Agriculture fully accepts its responsibility to provide all reasonable assistance to cooperatives. Farmer Cooperative Service -- the Department's specialized agency in cooperative organization, operation, and development -- will, I promise you, do an even better job of helping to guide cooperatives toward greater usefulness as they face up to their growing responsibilities and rapidly expanding opportunities in the days ahead.

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To be sure that Farmer Cooperative Service does this job, I chose last month one of your "graduates" -- Dave Angevine -- to administer this fine agency. He has my confidence and my support. Under his leadership Farmer Cooperative Service will be more alert, more available, and more resourceful than ever before in helping cooperatives meet the challenge of "the next half century."

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MANAGEMENT INFORMATION -- BLUEPRINT FOR TOMORROW

I was flattered by your invitation to speak to you -- and even more so by the breadth of the topic you assigned me: Management Information -- Blueprint for Tomorrow.

This age we live in is by far the most revolutionary in all history.

It is an age of upheaval. In the past 8 years the world has seen over 160 internationally significant outbreaks of violence -- about 150 of them internal. These outbreaks have involved more than 80 different governments.

It is an age of collapsed time. We see more technological and scientific progress in a year -- perhaps in a month -- than our ancestors saw in a century.

But, above all, it is an age of exploding knowledge. We are in the midst of a revolution in information -- and it is accelerating.

Consider these developments.

At the beginning of the 19th century there were only about 100 journals of science and technology in the entire world. By the beginning of this century there were around 10,000. Today there are over 100,000.

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Address by Secretary of Agriculture Orville L. Freeman before Better Management Information and Reporting, A National Symposium, National Archives and Records Service, General Services Administration, Washington, D.C., 9 a.m., Nov. 1, 1966.

The number of new books and monographs in science and technology more than doubled between 1960 and 1965.

In 1940, Federal expenditures for research and development totaled \$78 million. This year Federal expenditures for research and development total \$16 billion. About 100,000 U.S. technical reports are published every year as a result of Government-sponsored research and development.

In 1951 the Federal Government had one computer. Now we own or lease 2,600.

The House Committee on Post Office and Civil Service estimates that the Federal Government created 4.6 million cubic feet of records last year -- equivalent to 10 billion sheets of paper.

Besides the 2,600 computers, the Government, I'm told, has 50,000 quick-copy machines -- almost a quarter of a million electric typewriters -- and about 2 million filing cabinets plus close to 2,000 miles of shelving to hold an accumulation of 34 billion pieces of paper.

The problem is not confined to government. It's as big or bigger in business. To handle the mountainous mass of information, the ratio of clerical to nonclerical workers in the total labor force has risen during the past 50 years from 1 out of 40 workers to 1 out of 6.

There has been a vast leap also in the speed with which information is utilized.

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It took only about 10 years to put hybrid corn into use all over the U.S. Jet planes squeezed out prop planes on long distance flights in even less time. New drugs used to require decades to come into general use. Now drugs can be developed, tested, and released to the whole nation in a short time through mass marketing programs. Even so, some people complain about delay.

The upshot of all this is that the traditional ways of finding, transmitting, and putting information to use are no longer adequate.

As Arnold Toynbee said, "We have to grapple with the stark difficulties of overcoming the disparity between the overwhelming mass of the data and the limiting capacity of a single human mind."

Nowhere are the problems and opportunities created by the information revolution more acute than in Government management.

Consider just a few of the laws passed since the beginning of last year -- laws which expand or create new areas of responsibility for the Federal Government and therefore enlarge the area of decision-making by management.

In education -- the Elementary and Secondary Education Act and the Higher Education Act.

For servicemen -- the Veterans Readjustment Benefits Act.

For working people -- the Manpower Act, the Job Development Program, the Vocational Rehabilitation Amendments.

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For older people -- Medicare and the Older Americans Act.

For the poor -- the Economic Opportunity Act Amendments of 1965, the Appalachian Regional Development Act, the Public Works and Economic Development Act, Project Head Start, the Job Corps, the Neighborhood Youth Corps, VISTA, the Urban and Rural Community Action programs.

For city dwellers -- the Housing and Urban Development Act, the Department of Housing and Development Act, and new programs for urban growth and rent assistance for low-income people.

For farm and rural dwellers -- the Food and Agriculture Act of 1965.

For hungry people in developing regions -- the new Food for Freedom program.

For immigrants -- the Immigration and Nationality Act.

For everyone interested in equal legal rights for citizens -- the Voting Rights Act -- the first effective such law in a hundred years.

The programs created or expanded by this legislation require a fantastic increase in the quantity and the kinds of decisions that must be made. These are new decisions. They are not substitute decisions, replacing those that government managers used to face. They are additions to your and my burden of public responsibility.

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As President Johnson has said, "The public servant today moves along paths of adventure where he is helpless without the tools of advanced learning."

The bricks and mortar of sound decisions are Facts -- timely Facts -- pertinent Facts -- comprehensible Facts.

Unfortunately, getting such facts is by no means an easy process. You are all familiar with the "too much garbage, too many gaps" problem -- the problem of being flooded with material containing too much unnecessary information along with little or no information on the crux issues.

This is a compounding of confusion, a pooling of ignorance. When a Government official acts upon such confused, inadequate, or incomplete information, he in effect takes money out of the American taxpayers' pocket and drops it down a rat hole. He robs American communities of the benefits of useful programs because they arrive too little or too late.

It was to help meet this management challenge that President Johnson in August 1965 directed his Cabinet and agency heads to work with the Bureau of the Budget to adopt PPBS -- the new Planning-Programming-Budgeting System.

We simply must, as the President urged, find ways "to do new jobs faster, better, less expensively; to insure sounder judgment through more accurate information; to pinpoint those things we ought to do

more, and to spotlight those things we ought to do less; to make our decision-making process as up-to-date as our space-exploring equipment."

Throughout the Government much is being done along these lines. I want to tell you some of the things we have done and are doing in USDA.

We started out in 1961 with President Lincoln's dictum in mind: "If we could first know where we are, and whither we are tending, we could better judge what to do, and how to do it."

Where we are and whither we are tending in the Department of Agriculture rests heavily on economic facts and economic research. So one of our first administrative actions was to bring together the USDA economists and statisticians -- who had been scattered all over the Department -- into an Economic Research Service and a Statistical Reporting Service, responsible to and guided by a Director of Agricultural Economics.

I can proudly claim that our economic and statistical work has reached a new and extremely high level of competence and usefulness -- a level, if I may be pardoned for saying so, probably unequaled anywhere in Government.

For over 100 years USDA has collected data on the agricultural economy -- for example, information on crop and livestock production. Several hundred thousand farmers, processors, and distributors in all 50 States serve as volunteer reporters, responding to questionnaires from our Statistical Reporting Service. Data are gathered on approximately 150 crop and livestock products and disseminated in some 700 reports issued each year.

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This reporting is in an extremely sensitive area. It guides the economic decisions of farmers, dealers in farm commodities, processors, and the entire food industry. We in government use it to evaluate our agricultural supply-demand situation -- as well as in our decisions on food aid to needy countries.

It must be accurate -- and it is.

Like Caesar's wife, it must be above suspicion -- and, again, it is.

Our Statistical Reporting Service is constantly modernizing its reporting.

As new information techniques become available we use them to improve our basic statistical system. For example, "objective yield measurements" were introduced -- that is, data derived from actually measuring plants in selected fields in major crop areas. This has permitted computer programs to be developed for statistical analysis. It has resulted in new "forecasting models" and improved forecasts.

In 1961 we also undertook a new approach to public management through a project termed MODE (Management of Objectives with Dollars through Employees).

We set up a centralized computer in the Department into which we feed current information on all USDA employees.

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Our first output was an automated payroll and bond issuance system. This is a big job. For example, we feed personal data from over 300 personnel offices into this system, and we pay an average of 125,000 employees every two weeks.

At the beginning of 1964, we began to produce all of our personnel statistics and reports on the computer at a fraction of the cost of a manual system. Through the use of the computer we can develop much better information on our employees.

For example:

-- We can trace trends in the average age level and length-of service of our employees -- currently 41 and 13 years respectively. This means that we can identify specifically the percentage of employees in critical "age-length of service" groups and make forecasts of future retirements.

-- We can analyze promotion activity within the Department. With these analyses plus hiring and leaving information, we can predict the rate at which we will have to recruit and train employees. We know, for example, that we must recruit over 260 veterinarians next year to have enough employees to carry out poultry and meat inspection as required by law.

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-- Last year we were able within three days to give the Defense Department a list of all our employees who are military reservists as well as their reserve status. We were the only Federal agency able to dig out so much information so fast and so accurately.

Of course, thus far we have merely scratched the surface. But we are building a system for top management not only to obtain an over-all view of its entire area of responsibility -- but a system which will permit management to focus on any specific problem area and dissect it to its finest component.

A great asset in this undertaking has been the Office of the Inspector General which we established in 1962. Like the economists, USDA auditors and investigators were scattered through the Department. We consolidated them. By associating improved management information with a consolidated audit and investigative office, we are better able to detect and correct problem areas early.

We have information systems under development in several other areas, including pesticides regulation and monitoring, research projects, extension, forestry, and the Library.

Just a word about the Library project. Our National Agricultural Library is the second largest in the Federal Government, surpassed only by the Library of Congress. We are setting up a library information system in conjunction with the colleges and

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universities which will be the focal point of a national network of scientific and technical agricultural information. We are studying the extent and degree to which up-to-date computing techniques can be used to give quick service to the agricultural community.

Based on studies now underway we expect to have a fully automated library system utilizing the latest state-of-the-art by 1968.

The oldest communication and fact gathering system of all is face-to-face discussion. For the past three years I have held a large staff meeting every morning, 15 minutes before the official start of the work day. This is a gathering of some 40 men and women -- the two top executives of every major agency in the USDA plus my own staff. Though the meeting seldom lasts more than 15 minutes, it gives me the opportunity to report on basic policy decisions and on progress toward our goals to top leadership clear across the Department. Coordination can often be accomplished in minutes without paper or machines or tape.

This meeting gives top management a crack at the Secretary every day. It gives our managers a chance to compare notes and get better acquainted. What's more, we have a good time -- with plenty of laughs.

It might seem that such a large daily meeting wouldn't get results -- but it has and it does.

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Old timers in the Department tell me these staff meetings have done more to coordinate the USDA into a single unified Department -- rather than a federation of diverse agencies with sometimes disparate activities -- than anything that's been done in the history of USDA. Support for the continuance of these daily meetings is unanimous and strong throughout the Department.

Well, what about a blueprint for the future? I think devising such a blueprint may be more your job than mine, but I have some ideas on the subject.

It is obvious that we are only at the beginning of the information revolution. The managers of tomorrow will have new problems, but also new tools and new opportunities.

Information devices will undoubtedly multiply. Computers, for example, will be smaller, more powerful, less expensive. Computing power will be available to anyone who needs it, or wants it, or can use it. There will be small personal computers connected to large central facilities. Learning to use a computer will be as simple as learning to drive a car.

Using new information systems, our libraries will become complete information services. Health care will be revolutionized. The effects of new drugs and new treatments will be far more quickly established. Clerical work will be greatly reduced.

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New information techniques will be widely available in education. Men will be matched to jobs by a nationwide computerized service. Urban and rural data centers will make possible better planning for land use, housing, education, and business.

This is a wonderfully attractive picture. Yet it bears repeating that the man behind the computer and the man using the computerized information are still the key. The computer must always be the servant, never the master, in the management process.

I like to think of management information as being similar to a map. To be of value a map must be accurate -- the responsibility of the supplier. But it must also be read by someone who knows where he wants to go -- the responsibility of the user.

Similarly, if a management information system is to be of maximum value, the data must be recorded and processed accurately -- but if the data are to be turned into meaningful management aids, the needs of the manager must be made known.

A basic essential of a blueprint for tomorrow, therefore, is the manager's plan for tomorrow. Without a plan, the danger is that we will simply automate existing procedures, thus losing the true power and potential of the information system.

When I was Governor of Minnesota we inaugurated a self-survey on the efficiency and effectiveness of our activities. I remember asking a game warden serving on a task force, "Why do you submit

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Form Number AD-562?" When he responded that he really didn't know, I suggested we try a little experiment. I told him not to file this form and to come back and check with me on it in six months and we would see what happened.

Well, it was very interesting. Nothing happened. It developed that the filing of this form had been started "way back when" as a part of a research project by an official who shortly thereafter left the government. But people kept on submitting the form just because that's the way things were done.

This is what can happen when managers proceed without a plan.

I will close by asking a few questions which I think you must answer in making your blueprint for the future.

For the system designer:

- Are today's management information and reporting systems in general placing too much emphasis on gadgets and mechanical devices that become toys for the management information systems specialists?
- Have we given too much emphasis to the mechanics of information and reporting systems?
- Are these systems geared to meet essential needs of general management at all organizational levels, or only at the top --if there?

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- Is the information that is spewed forth from the computers actually used -- and how much and by whom and for what management purposes?

For the manager:

- Do you really manage based on a plan or do you react day by day to outside shock waves?
- Do you know what is essential to your decisions -- or do you react to hunches developed from thumbing through the large routine reports?
- Are you operating from your plan of action -- or from an old plan developed, largely from habit, by your predecessors in the organization over which you preside?
- And, finally, do you really want a management information system -- do you really want a blueprint for tomorrow?

These are some of the questions begging for answers. I know you will raise many more at this symposium. My hope is that you will also find most of the answers.

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U. S. Department of Agriculture  
Office of the Secretary

For Release at 9:40 a.m. Nov. 14

The late President Kennedy once said that the great enemy of truth is very often not the lie ... but the myth.

He said this at Yale University in 1961 in a memorable exercise in reason and logic.

Too often, he said, we hold fast to the cliches of our forebears. We subject facts to a prefabricated set of interpretations, and we enjoy the comfort of opinion without the discomfort of thought.

"Mythology," he said, "distracts us everywhere -- in government as in business, in politics as in economics, in foreign affairs as in domestic policy."

I welcome you to this 44th annual Outlook Conference with a deep concern that mythology distracts us, too, in agriculture ... that fantasy and illusion pose a threat to effective action ... that platitudes and slogans have muddled the river of reason and dammed the channels of communication.

Those of you who are here from land grant universities and colleges, those of you who are here from the industries serving agriculture .. and, yes, those of you who are our welcome guests from other Nations ... recognize, I'm sure, that this venerable conference has earned its reputation by its unrelenting attention to the hard economic facts of life.

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Address by Secretary of Agriculture Orville L. Freeman at the 44th Annual National Agricultural Outlook Conference, Jefferson Memorial Auditorium, USDA, Washington, D.C., November 14, 1966, 9:40 a.m.(EST).

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Because of this ... and because of the traditional respect and desire of this audience for the truths of economic intelligence ... I can think of no more appropriate occasion to examine those myths and fantasies that clog the agricultural dialog, compromise objectivity, warp judgment ... and frequently impede action.

Nor can I think of a more appropriate time.

In the wider national interest, President Kennedy said at Yale, we need not partisan wrangling, but common concentration on common problems.

The sound and fury of the 1966 political campaign is past. The election is history. Now it is time to put aside partisan wrangling and turn to concentration on those common problems.

But common concentration implies a certain objectivity, a certain selflessness that can only come with conscious effort ... an effort to shed oneself of prejudice and seek the truth impartially.

Two years ago in Oklahoma City, President Johnson put the challenge this way:

"Don't ever get so selfish," he said, "but what you forget that what is good for your country is good for you. And let's put aside the slogans and the false warnings. Let's look at the facts. Let's see what our government actually does."

Today I propose to examine some myths to get at some facts, to seek out the realities of contemporary agriculture ... and to focus some much-needed attention upon what the Department of Agriculture actually is -- and what it actually does.

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So let me begin:

MYTH: American agriculture is subjected to a bewildering and unwanted array of Federal controls.

FACT: American agriculture today is freer than it has been for 30 years. There are few controls. Programs for such basic commodities as feed grains, wheat, and, in part, cotton, are now voluntary programs. Farmers have broad discretion in deciding whether to be in or out of the program. And there never have been controls of any kind on soybean and dairy production.

Under voluntary programs, the farmer himself decides whether he wishes to join in the program to balance production with demand ... or wants to go it alone in the marketplace.

Only rice, peanuts and tobacco are still under mandatory programs. These require farm planting within established allotments ... but only after the particular program has commanded a two-thirds favorable vote by the planters. Year after year, these farmers vote 97 to 99.3 percent in favor of these programs.

Even mandatory programs have great flexibility. Rice acreage has been greatly expanded, and the tobacco program has been modified by the acreage-poundage provision.

Repeated public statements by a farm organization, editorial writers, and politicians should not be permitted to obscure the fact that the American farmer is a free and independent businessman -- not helplessly in the grip of great Government machinery that dictates his every action.

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MYTH: Commodity programs are unnecessary because non-supported products, such as livestock, earn most of the farm income.

FACT: Income from products not directly supported is heavily dependent upon the supply and the price of commodities which are supported by farm programs.

Livestock returns, in the long run, are strongly influenced by the price of feed. The price of feed, in turn, is in large part dependent upon the programs for feed grains and related crops. The feed grains program is as important to cattle and hog producers as it is to feed grain producers.

MYTH: With grain surpluses eliminated, now is the time to get rid of farm programs.

FACT: Although we will move an additional 25 to 30 million acres back into wheat and feed grain production this coming year, we will still have 20 to 25 million acres diverted from cotton and feed grains.

If this additional acreage were put into production, we'd be right back on the road to another heavy surplus build-up.

Our already large cotton stocks, now being sharply reduced, would jump right back up to record high proportions. And feed grain prices again would be resting on support levels.

Furthermore, there is a substantial additional potential for higher productive capacity through the use of more efficient production techniques ... larger inputs of fertilizer, for instance, or improved seed.

Thus the basic potential for overproduction is unchanged, and for the foreseeable future we plan to use our farm programs to avoid the threat of new surpluses, as well as to expand output when we need it.

There is also the question of the best mix of food products for commercial markets at home and abroad ... and for the Food for Freedom program.

The market is generally an efficient guide to commercial (dollar) requirements. Starving children in other lands, however, don't affect the market in the United States very much until program decisions are made in the United States. To protect them, we must in some cases increase output of the kinds of crops which can be used to meet their nutritional needs.

Farm programs help steer our food production into the right channels to reach that proper mix.

This brings me to a corollary myth, the myth that holds that we should drop all restraints and produce food to the maximum as long as there are hungry people anywhere in the world.

We can't do that, and let me tell you why.

FACT: If the need for food imports by developing countries were to continue to grow at past rates ... reflecting inadequate rates of agricultural development ... in a few years total food aid needs would exceed what the United States and other developed countries could supply.

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Furthermore, absence of restraints would not guarantee enough additional production of the commodities traditionally used in food aid -- wheat, rice, and non-fat dry milk. These commodities represent only a portion of our total output, and only a small part of our excess production potential. We have a far greater production potential in feed grains, cotton, and tobacco ... but only the food grains can be used to any significant extent for food aid. This means that if U. S. agriculture were to go full steam ahead, we'd quickly build up large surpluses in a number of commodities ... but only modestly expand production of other vitally needed food commodities.

There are things we could do to further increase production of food aid commodities -- incentives of higher prices, accelerated public investment to bring more land back into use, expanded research efforts toward higher yields, for example -- but these efforts would require billions of dollars of additional public expenditures ... and having spent that money we still would not have solved the world food problem.

I say this because making the developing nations even more dependent upon food "gifts" is a self-defeating solution ... when what we need is self-help on the part of those nations. To finally solve the problem of world food, the hungry nations must increase their own food production. We can help them do this with our resources and advice ... meanwhile buying time for them with continued food aid. But no one country, not even the United States, can feed all the hungry of the world for very long ... and the attempt to do so would end, finally, in failure and starvation.



Now let me turn to some persistent myths about the farmer's pocketbook.

MYTH: Farmers must receive parity prices in order to receive parity income.

FACT: Parity prices are based on relationships between the prices farmers received and the prices they paid 50 years ago. The old parity formula is no longer realistic. It deals only with prices. It does not take into account increased productivity ... and it ignores Government programs and payments.

Let me give you an example. In the depths of the Depression, farm prices were at 85 percent of parity. Sounds pretty good, doesn't it? But what good is 85 percent of parity when total net farm income is less than \$5 billion -- as it was back then?

The only meaningful measure of a farmer's well-being is net income -- what he has left after he's paid his bills at the end of the year. This year our farmers will have more than \$16 billion left after they pay their bills at the end of the year ... the second highest net farm income in history. Net income per farm at \$4,900 is up 65 percent from 1960's \$2,956; this is the highest by far in the Nation's history.

So when we talk about parity of income in 1966, we can't talk in 1914 terms. We must define it in modern terms. One definition measures parity in terms of skilled labor's wages for the owner-operator, and a 5 percent return on invested capital.

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This is a modest standard in comparison with returns in business and industry ... but modest or not, many farmers have not reached it.

Nevertheless, the gap between farmer and non-farmer income has been narrowed by 18 percent in the past six years, and we expect it to continue to close in the years ahead.

Our Department is now preparing a study of parity of income for the Congress. We hope this study will further clarify the concept and the measures.

ANOTHER POCKETBOOK MYTH: Farm debt is threatening to engulf and destroy American agriculture.

FACT: Although farm debt admittedly has increased sharply in recent years, the value of farm assets has advanced even more rapidly.

At the beginning of this year, the total value of assets in agriculture was about \$256 billion, and the total liabilities amounted to \$41.6 billion. This means the average American farmer owned outright about 84 percent of his assets, and owed only 16 cents on each dollar of assets.

In other words, farm assets today are more than six times as great as liabilities. By contrast, the total assets of manufacture industry in mid-1966 were \$381 billion and liabilities were \$152.5 billion -- a relationship of assets to liabilities of only a little more than two to one.

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Since 1960, the value of farm assets has increased \$51.9 billion and farm debts \$16.7 billion. The resulting increase in equities of 35.2 billion is more than twice as large as the expansion in debt. Since World War II, farm debt has increased at about the same rate as corporation debt, but at a much slower rate than consumer debt and private non-corporate mortgage debt.

I don't mean to minimize either the debt burden or the cost squeeze in agriculture. Debt has climbed. And costs have soared. As the single largest bloc of consumers in the Nation, farmers have a right to be concerned about the threat of inflation. And everyone involved has an obligation to combat that threat.

Now let's look at an agricultural myth of more recent vintage.

MYTH: The Department of Agriculture spends its annual appropriation of about \$7 billion to subsidize farmers who will soon be outnumbered by USDA employees.

FACT: Two-thirds of the Department's annual expenditures and about 90 percent of its man-hours are devoted to services of benefit to the general public. USDA provides far more direct services to more consumers, for instance, than does any other department or agency of government.

Among many other things, USDA administers the biggest recreational complex, operates and maintains the biggest fire department, sells more timber than the biggest lumber company, lends more money than the biggest bank, and carries out the biggest emergency feeding program in the world.

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Of USDA's full-time employees, for instance, 30.4 percent are in the Forest Service, protecting and managing 186 million acres in 154 National Forests; 16.9 percent are in the Agricultural Research Service, researching ways to increase and improve food production; 14.4 percent work in Consumer and Marketing Service, doing, among other things, the job of inspecting 6 billion pounds of poultry and 35.6 billion pounds of meat a year; but only 5.4 percent work in the Agricultural Stabilization and Conservation Service, which deals almost wholly with farm programs. Employment in this agency is down 38 percent since 1960 -- despite a heavier workload.

And now let's examine one more erroneous image.

MYTH: Agriculture is becoming an industry of factory-size corporate farms.

FACT: Just the opposite is true. By 1964, family farms accounted for over 95 percent of all farms and 73 percent of all farm marketings.

Moreover, if we define "adequate-size" farms as those with gross sales of more than \$10,000 a year, we find that family farms in that category are becoming ever more numerous ... an even more significant criterion.

I should point out here that the \$10,000 sales yardstick measures the minimal qualification for "adequate size." Many of these farms, of course, gross more than \$10,000 a year.

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The number of adequate-size family farms increased more than 30 percent from 1959 to 1965, but the number of larger-than-family-size farms having gross sales of more than \$10,000 decreased by nearly 20 percent. By 1965, family farms accounted for 88 percent of all farms in the over-\$10,000 value of sales class.

There were more than a million farms with gross sales of more than \$10,000 in 1965 -- an increase of 200,000 over 1959 -- and the highest rate of climb into this earnings bracket in our history.

Family farms that provide a decent living for the operator and his family are increasing. Those that cannot are decreasing.

From 1959 to 1965, less-than-adequate-size farms decreased by more than 900,000. These are the farms with resources so limited their operators cannot earn adequate incomes.

What is to be done for them? The answer to that burning question has been sought for three decades or more.

By definition, such unfortunate farmers do not have the resources to reach a decent American standard of living no matter how efficient they may be.

They have three options. They can seek assistance in acquiring the resources they need to compete as operators of adequate-size farms. They can seek jobs to supplement their farm income.

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They can quit farming altogether and seek employment in their home communities ... or, if they are not trainable because of age or disability, they can seek other income-supplementing assistance.

Since 1960, an estimated 70,000 farmers have received farm ownership loans and reached the adequate-size farm category.

Hundreds of thousands have benefited from the Rural Area Development program which has brought new job opportunity to the countryside.

In the past year and a half, 25,000 low-income families have received Economic Opportunity loans to help them supplement farm income.

And new vocational education, technical training, job training, education and welfare programs are reaching out to include the low-income farmer.

Thus a great deal is being done. But not nearly enough. Half of the poor of our Nation live in rural areas. Many of these are farmers. Too many of them go to bed each night with little or no hope for a better tomorrow.

If we invested as much time and interest and resources in helping them as we devote to commercial agriculture, then these hope-starved submarginal farmers -- many of them elderly, physically disabled or only part-time operators -- could look forward to ever brighter days.

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But it is a myth to expect farm commodity programs to bring salvation to the farmer whose land cannot sustain him. Commodity programs are not designed to do that. Nor can commodity programs be justified in terms of what they do for the less-than-adequate-size farm.

Commodity programs are not welfare programs. Instead, they are designed to make possible a tolerable balance between supply and demand in the market so that the adequate-size commercial family farmer can get a fair price for his products, attain a decent American standard of living, and continue to be the most efficient food producer in the history of the world.

To measure commodity programs in terms of what they do for the less-than-adequate-size farm is to judge them by a standard they are not designed to meet. Yet in the "conventional wisdom" of the day, millions of Americans still criticize, still claim no confidence in farm programs, because those programs don't help the "little farmer."

"Professional wisdom" has another viewpoint.

Late last month, Dr. Sherwood O. Berg, dean of the University of Minnesota's Institute of Agriculture and chairman of the National Advisory Commission on Food and Fiber, said this:

"Commercial agriculture represents one set of problems that must be met, and noncommercial agriculture -- in effect, rural poverty -- represents something entirely different. A single farm policy simply cannot be the answer to the problems of both."

The problems and the needs of the operator of the less-than-adequate-size farm must be met. But they can only be met in a revitalized countryside ... a countryside offering better education, better vocational training, better health facilities ... a countryside offering industry and jobs.... a countryside where a man can stay on the land he loves by taking a job in town when he doesn't have the resources to compete as the operator of an adequate-size farm.

President Johnson summed it up earlier this fall when he said:

"I think we can set a higher goal than parity for farm prices. We want to achieve full parity for all rural life in all places in this country .... Modern industry and modern technology and modern transportation can bring jobs to the countryside rather than people to the cities. And modern government could also help. I want to see more factories located in rural regions. I want more workers able to supplement their incomes by part-time farming -- and more farmers working part-time in industry. I want those who love the land to reap all the benefits of modern living. And we are working to make this happen."

We can make this happen. We can achieve full parity of opportunity and full parity of income. But we can't do it with horse and buggy thought in a day of orbiting astronauts. We can't do it hobbled by antiquated agricultural concepts and tripped up at every turn by tired truisms and the dreary dicta of bygone years. And we certainly can't do it until we've cut through generations of fiction and fantasy to get at facts ... the kind of strong, hard facts we need to build a robust rural America ... The kind of facts we seek here today.

Thank you.





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"Beauty as we feel it, is something indescribable," George Santayana once said. "What it is or what it means can never be said."

Indescribable or not, beauty is rich and warm and vital and real. Without it, the world we know would be a barren waste ... inhabited by barren souls.

One of the truly exciting things happening in America today is a happy rebirth of concern for beauty, a concern in large part kindled by the President and the First Lady.

Tens of millions are responding to the call of the President and Mrs. Johnson to beautify America. Anyone who doubts this should travel back and forth across the country as I have the past several months. North, South, East or West, the call to beauty rings in the air.

People are crying out against the offensiveness of undisguised dumps and junkyards ... wishing aloud that ugliness be banished from sight. They are noticing ... and enjoying ... and demanding, as never before, trees, flowers, crystal-clear waters, smog-free air, and tasteful landscaping. They are eagerly cooperating in hundreds of ways large and small to bring beauty into their daily lives where they live and work and play.

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Statement by Secretary of Agriculture Orville L. Freeman before the 14th Annual American Association of Nurserymen Industrial Landscaping Awards luncheon, Statler Hotel, Washington, D.C. Tuesday, November 15, 1966, 12 Noon, EST.

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Every day now, from one end of the country to another, the truism that ugliness does offend and beauty does reward is being proved. And we are discovering in the process that beauty rewards in more ways than the esthetic. In this new national awareness, this renewed appreciation and strengthened desire for the things that are beautiful, there is, implicit, a new and higher national morality.

Relationship of beauty to goodness has been known, of course, from time immemorial.

Charles Eliot Norton observed that "it is perhaps the highest distinction of the Greeks that they recognized the indissoluble connection of beauty and goodness."

And the multi-talented Michelangelo once wrote a love sonnet that declared:

"If it be true that any beauteous thing  
Raises the pure and just desires of man  
From earth to God, the eternal fount of all,  
Such I believe, my love."

But the mere recognition of the esthetic and the moral worth of beauty is not enough. Recognition and desire must be followed by positive tough-minded action ... the kind of action this organization has come to represent in its long and distinguished service to beautification.

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The long-standing affinity between the U.S. Department of Agriculture and the American Association of Nurserymen is reflected in the fact that the very first Secretary of Agriculture, Norman J. Colman, was the president of your association on two occasions ... in 1882 and again in 1885 ... and that affinity has been as close and as valuable as it has been long-lived.

Now, as the branch of agriculture most directly involved, the nursery industry is playing a particularly important role in the national beautification effort.

In 1963, you helped key this effort with the theme: "Let the Country Sing with Beauty."

Your association was the prime mover in the establishment of the National Arboretum in Washington ... and has continued its much-valued support to this day.

On the day-to-day level, you work with the Department in the plant quarantine program which protects American agriculture and consumers from accidental infestations which could wreak economic havoc. On the average of every 15 minutes of every hour of every day, around the clock, some dangerous plant or dangerous insect is prevented entry by alert inspectors and cooperative citizens at all ports of entry. Sometimes this is painful. Witness the sensitive cherry tree situation we faced in 1965. But with your support and the cheerful cooperation of others, both beauty and safety prevailed and soon cherry trees will bloom on the ellipse. Self regulation by nurserymen

in maintaining quarantine regulations has been of the highest order. For this the entire Nation is indebted to you.

Happily our cooperation emphasizes development as well as protection. We work together to test the USDA plant introductions and it is the nurserymen who make possible the widespread distribution of plants that prove marketable.

Through international exchange and direct exploration, the USDA collected more than 700 new ornamentals last year. These were distributed to nurseries, experiment stations, and other institutions for trial. Here again your cooperation is a key to progress in beauty.

Last May the First Lady planted a new type of ornamental shade tree on the grounds of USDA's Administration Building. Found by USDA plant explorers in China, this tree, the Bradford pear, has been adapted to climates in this country. Today it is available to commercial nurseries in at least 15 States as a "perfect" shade tree for city planting.

In the last few years the USDA has intensified its efforts to promote and carry out national beautification through its research programs, its financial and technical assistance activities, and its educational work through the Federal-State Cooperative Extension Service.

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This combination of public and private effort nationally, Statewide, and in localities is getting results everywhere around the country.

In Arkansas, an Extension Homemakers' Club plowed under an old junkyard that marred a scenic turn-off to a vacation area and planted the site with flowers, shrubs and trees.

In Georgia, more than 700,000 trees and shrubs were planted during Make Georgia Beautiful Month.

In Illinois, the Extension Service produced 13 half-hour TV programs on home landscaping that were later shown in three other States.

Just a few miles from here, the Arlington Home Demonstration Club learned through the Nurserymen's Association that a nurseryman in California had a surplus supply of crepe myrtle trees. Last summer arrangements were made to buy the entire lot, 600 trees, at a bargain price. The Club arranged for the sale and distribution of the trees, and the County Agent printed planting instructions.

The project was so successful that the Beautification Committee of Arlington contracted to have 6,000 crepe myrtles especially grown for sale in Arlington next spring. Within a few years, those 6,000 new trees will make an exotically colorful contribution to beautification. They will indeed be a welcome sight in August blooming as other plants wilt in the heat of summer.

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This project is a particularly good example of fruitful cooperation between your Association and the USDA at the local level. There are many, many others.

On another plane, USDA technical assistance has been redirected to provide greater emphasis on natural beauty values. On hundreds of watershed recreation projects, for instance, local sponsors are now required to include landscaping and beautification in their proposals. Again the grasses and ornamentals come from the nurseryman.

Our Cropland Adjustment Program, which includes the Greenspan approach, has helped us convert more than 2 million acres to recreation, beautification, wildlife habitat, and open space use. Greenspan permits a partnership between local and Federal governments, between farm and city, to move unneeded farm land into needed recreation space with the Federal government helping to point the way and sharing the cost.

In Chelsea, Michigan, for example, the school district used Greenspan funds to help buy 56 acres to develop as an outdoor laboratory, with nature trails, wildlife pond, wildlife feeding area, camping and winter sports areas.

In a Resource Conservation and Development project in west central Minnesota, local leaders with planning help from the Soil Conservation Service are developing recreation along the Crow Wing River, where canoeing through the natural beauty of that area is a big attraction. Overnight camping facilities developed on the river bank last year helped attract 5,000 canoeists to that area.

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Working with telephone industry manufacturers, REA has developed techniques that make it less expensive to put telephone lines underground rather than mar the natural landscape with unsightly poles and lines. And we are now working to lower the cost of burying electric distribution lines for the same esthetic advantage.

Beautification is a key objective in the management of our National Forests.

In wilderness areas we sharply limit use to maintain wilderness characteristics and preserve natural beauty for the generations yet to come.

I take great pride in the fact that in my first four years as Secretary, more than 2 million acres were added to the wilderness area system in 11 different areas.

In 1964 President Johnson recommended and the Congress created a permanent wilderness system which embraces more than 9 million acres of National Forest land.

Another exciting example of getting results through private public cooperation is found in the USDA recreation loans program. More than 100,000 acres of land has been converted to golf courses, nature trails, hunting preserves, and wildlife habitat by local leadership and a bit of Federal loan assistance.

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In addition to financial help to rural landowners, through loans and cost-sharing arrangements, the Department provides technical help to rural landowners in establishing recreation enterprises. In 1966, the Soil Conservation Service has helped 18,000 landowners plan, expand, or install recreation enterprises as a part of their conservation plans. Over a longer period, since 1962, 34,700 rural landowners and operators have been helped with establishing recreation enterprises. For more than 3,200 of this number, recreation became the primary source of income.

Housing, water and sewer system loans also contribute to beautifying an area and in the process promote economic development. Here again team work is the key ... private industry, local leadership and government at all levels.

And this brings me to my final point ... that beautification must be more than skin deep.

It should be ... it must be ... an integral part of the overall community development concept.

Beauty can be a major factor in building in rural America the communities of tomorrow that we need to ease the population pressures of our big cities -- communities with good jobs, good schools and medical centers, and their own full-range of public facilities, cultural and entertainment opportunities.

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Beautification, recreation, industrial development, improved public facilities and community services are all part-and-parcel of the right kind of community development package.

Duplin County, North Carolina, provides an excellent example. In that county, USDA loaned local people \$138,000 to develop a golf course, swimming pool, picnic area, tennis court and clubhouse in order to beautify the area and provide more recreational opportunity.

It did this ... and it did more. It attracted two industries which now provide jobs for 450 people and pump tens of thousands of dollars into the Duplin County economy each year. Few leave Duplin County any more because they can't get a job.

Thus we have begun to restore beauty to our land ... and beauty to our lives and a new dimension to our communities.

Now let us step up the pace.

This program today is evidence that you nurserymen are doing exactly that. This Industrial Landscaping Awards program is based on the theory that businesses can be better neighbors and employees more satisfied workers because landscaping has made their surroundings more beautiful.

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The awards you present today will at the same time recognize progress and stimulate more business leaders to beautification efforts. They will inspire leaders in other walks of life to protect beauty where it exists ... to restore beauty where it has been defaced, and to create beauty where they live and work.

My congratulations and best wishes to your Association and to the award winners. Keep it up!

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I am happy to join you today at this special Open House for consumers. I hope this meeting -- and others like it all over the Nation -- will call public attention to the numerous and important consumer educational services that Mr. and Mrs. America may obtain from the U.S. Department of Agriculture through local county Extension Offices.

As you know, one of the prime responsibilities of the Department of Agriculture is to the farmers of America. They are our principal constituents; we are their spokesman. Yet it is true also that two-thirds of the Department's annual expenditures and about 90 percent of our man-hours are devoted to services of benefit to the general public -- to the consumer, if you will. Never to be forgotten for a moment is the fact that the farmer himself is a big consumer as well as a producer for consumers.

For more than 100 years, USDA has been, in the words of Abraham Lincoln, the "people's department." A department not only for the producers of the essentials of living, but for the consumers of those essentials. A Department for all of us.

Only one dollar in three of Department expenditures goes for the programs -- price support, income stabilization, etc. -- under which farmers are direct and primary beneficiaries.

Yet even those farmer-oriented programs are hugely important, indirectly, to the consumer population. That is because the farm programs assure a continuing abundance of food and fiber to the American people. They help to improve farm income. If it were not for the modest subsidy extended by Federal

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Remarks of Secretary of Agriculture Orville L. Freeman at Federal Extension Service's "Calling Consumers" Open House in the U.S. Department of Agriculture Patio, Washington, D.C., November 16, 1966, 2 p.m. EST.

taxpayers, farmers would not be able to furnish American consumers -- as they have done for years -- with the best diet in the world at the lowest percentage of the purchasers' take-home pay. The average American family spends only about 18 percent of its income for food; the average Japanese family spends nearly 30 percent.

Among the consumer services financed by USDA appropriations are the inspection of 6 billion pounds of poultry and 35.6 billion pounds of meat a year; grading of food and fiber to assure quality; control of pests and diseases that affect that health and productivity of plants, animals, and people. We protect soil, water, and forest resources. We develop new products, processes, and services that add immeasurably to the convenience of living.

More than 35 million persons -- school children, the elderly, the disabled, the unemployed and disadvantaged -- receive better diets through school lunch, milk, and direct food distribution programs. Low-income consumers are able to increase their food purchasing power by one-third because of the Food Stamp Program.

There are many more money-saving, health-preserving, comfort-producing consumer services that emanate from the "people's department." But all of them would be of little use if the consumer does not or cannot avail himself of them -- does not know what they are, where they are, or how to obtain them.

And this is where we depend upon the Cooperative Extension Service -- with its offices in nearly every county in this Nation. Its dedicated, hard-working agricultural and home economics agents deliver this information to the people. The Extension Service rightly is called "the educational arm" of the Department of Agriculture.

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Consumer expenditures in this country total more than \$460 billion annually. Even experienced consumers need the kind of objective information that Extension agents make available. So many new items appear on the market daily that the old standards of quality are soon outmoded as yardsticks for making necessary consumer decisions. Extension agents keep up with the latest in unbiased, scientific information from State and Federal research centers so they can offer expert help with our decisions on what to buy, how to use it, and how to care for it. They have tips on ways to get the most satisfaction for the money we spend for goods and services, and some excellent advice on how to use credit more wisely.

Extension marketing specialists are helping the farmer streamline his operations so that savings from increased efficiency and productivity may be passed on to the consumer. Also, they search out what consumers want so the farmer can supply it.

Extension offers a broad variety of educational programs intended to furnish consumer information to groups with special requirements -- young homemakers, the elderly, the poor, and others. Among them are:

Young brides, half of them teenagers, who suddenly become the purchasing agents for new households.

Elderly persons with special nutritional and housing needs, and low-income families striving to get the most from their limited finances.

Home owners who find their county agent ready with advice on lawns and gardening, how to get rid of insects and plant pests, how to use pesticides safely.

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Homemakers who want help in selecting the best nutritional value for their food dollar and in judging quality and design in clothing, home furnishings, and housing. Young homemakers numbering nearly 150,000 have attended Extension nutrition classes in the last 16 months. Extension home economists have taught 142,000 families in the Food Stamp Program and 750,000 welfare families to make the best use of foods received under these distribution programs.

Agents in the county Extension offices are well informed and ideally located to carry information on all kinds of government programs to consumers. And they are doing so.

I hope this Open House today will give you a greater awareness of the consumer services of the Department of Agriculture and its Extension Service -- and perhaps some ideas on ways that we might better cooperate with you and your organizations to serve all Americans.

I might add that USDA and the Extension Service are constantly alert for opportunities to improve their services. Only three weeks ago a joint advisory committee was established by the Department and the National Association of State Universities and Land-Grant Colleges to evaluate past contributions of the Cooperative Extension Service and to look ahead to improvement of its functions in order to meet the needs of the public in the future. The committee comprises leaders in private life and officials of Land-Grant Colleges and the U.S. Department of Agriculture.

Thank you for being here today.

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You and I are old friends. Each year for the past six you have invited me to your national convention; each year you have greeted me -- not as a stranger -- but as a member of your family. For this, and for the positive role your organization has played in agricultural policy over the past years, I am deeply grateful.

I am more than grateful. I am extremely happy to help you celebrate the centennial of the National Grange, and to congratulate the Delegate Body on its wisdom in picking such an outstanding city in which to celebrate. I couldn't have picked a better spot than Minneapolis if I had done it myself!

The Grange, however, has a hundred-year history of making right decisions, and picking the right people -- like your own Herschel Newsom -- to carry these grass roots decisions to Congress and to the U.S. Department of Agriculture.

My department and your organization are almost contemporaries. The Department of Agriculture was established in 1862, during President Lincoln's administration, in the same year in which Congress passed the Homestead and Morrill Land Grant College Acts. The Patrons of Husbandry, now the National Grange, came into being only five years later, in 1867.

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Address by Secretary of Agriculture Orville L. Freeman at Agricultural Banquet, 100th Annual Session of the National Grange, Holiday Inn Central, Minneapolis, Minn., November 19, 1966, 7 p.m. CST.

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At that time, and in the century since, the Grange and the Department of Agriculture have seen their destinies closely interwoven. Your first National Master, William Saunders, was superintendent of the Propagating Gardens in the Department of Agriculture, and your first organizational meeting was held in Mr. Saunders' office in Washington.

It was the first time -- but not the last -- as Herschel Newsom and I know from experience -- that Grangers and Department of Agriculture people, had visited each others' offices.

In 1867, as now, agriculture was in a revolutionary state. New tools and new techniques, invented in the 30 years prior to the Civil War, had bridged a 16-century gap between the agricultural technology of the Roman Empire and the emerging industrial nations of the West. The Civil War brought unprecedented demand for food. At the same time, labor was short. Over half a million young men had died in the War, more casualties than we sustained in World War II and Korea combined, and Southern agriculture lay shattered by four years of conflict.

And so farmers invested in new machinery, opened new lands, and made the great leap from subsistence to commercial agriculture. By 1870, even though Southern agriculture still had not regained its pre-war productivity, one American farmer was producing food and fiber for himself and five other people.

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But the early bright vision of prosperity and success born of war demands began to fade as the realities of the commercial market were felt. As only one of millions of commercial producers, the individual farmer soon discovered that he alone was powerless to combat the sharp practices of the relatively few middlemen with whom he had to deal. So he turned to organization in the belief that in union there was strength.

The Grange continued its earlier efforts in education and building of farmer cooperatives, but turned the main thrust of its attention to the passage of "granger laws" to regulate the most flagrant abuses of the railroads and warehouses. It was your organization that fathered the Interstate Commerce Commission and saw it safely through Congress in 1887 so that the evils then present in interstate commerce could be subjected to public control.

The importance of this Grange contribution to American law cannot be overstated. American Heritage, the highly respected historical magazine, said this of the effect of the granger laws: "... for the first time in the history of the world, the Courts of the United States ... recognized officially that the public does have a proper interest in the policy and decisions of big business."

This was an historic occasion, both in the history of your organization and in our national history. But even more important, it marked the real beginnings of efforts by farmers to use their democratic government to achieve better justice in the marketplace.

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Until this watershed decision, efforts to improve agriculture, both by government, through the Land Grant Colleges and the Department of Agriculture, and efforts of farm organizations, had centered primarily on education and spreading scientific knowledge. This was important, and continues to be important.

But the Grange added a whole new dimension to efforts by farmers to improve their lot. They banded together to influence farm prices and farm income, and from these early efforts to regulate the marketplace has grown the entire concept of present-day commodity programs. Hence the Grange pioneered what is known today as "supply management" which is nothing more than an effort by farmers, working through government, to improve their prices and farm income.

The early Grangers were quick to realize that securing equity for the farmer was a never-ending job. And so they began to build, in the 20th century, on the achievements of the 19th. As early as 1913, National Master Oliver Wilson outlined a credit system that would -- quote -- "make it easy and safe for the farmer to borrow money to buy or improve his land or the equivalent to operate it," and added, "any credit system to be safe for the people must be either directed, controlled or operated by the government."

This concept was written into law in 1916 with establishment of the first Federal Farm Loan Act. Later, the Farm Credit Administration, established in President Franklin Roosevelt's Administration, leaned heavily on Grange concepts and Grange legislative recommendations.

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We now tend to take many of the credit facilities available to farmers -- the Farmers Home Administration, FCA, REA -- for granted, as we do many of the other established agencies in the farm sector.

What we tend to forget are the hard struggles necessary to obtain these facilities. In each of these struggles -- and there have been many since 1867 -- the Grange has been in the forefront.

The list of causes your organization has championed -- and has seen enacted into law, is long and illustrious. You were an early and effective backer of the Federal Extension Service to bring scientific agriculture down to the fence row. You championed Free Mail Delivery for rural America -- and saw it become a reality. You established marketing and supply cooperatives in a score of states -- and saw them become a powerful force in the marketplace.

You sponsored legislation that created the Rural Electrification Administration -- and saw the number of farm homes served by central power sources rise from 11 percent of all farm homes, in 1935, to 98 percent today.

You saw many senior citizens living out their sunset years in dire poverty, and so you championed, and saw enacted, Social Security for farmers and other self-employed persons.

You were early and vocal supporters of the Soil Conservation Service, the Farmers Home Administration, the Federal Crop Insurance Program, the School Lunch and Milk Programs, Rural Area Development, Food for Peace, and now, Food for Freedom.

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You supported these programs because you discovered, very early in your history, that these programs do not cost -- they pay! Your efforts to improve education facilities in rural America paid off in a better chance in life for farm boys and girls. Your advocacy of the School Lunch Program and later, Food for Peace, paid off in better diets for millions of children and adults, and at the same time provided a bigger and better market for your members. And so it was with your recent support of Rural Area Development: Your organization realized that the problems besetting our great cities -- overcrowding, slums, urban decay -- had their roots in a rural America lacking in educational, job and other opportunities, which hastened the rural-to-city migration of millions of untrained people.

We sometimes tend to forget that most of these programs, fiercely controversial when you first proposed them, have become virtually non-controversial today, as their worth has become self-evident.

Anyone who treads the path of agricultural policy, and understands its history over the past century, sees the footprints of the National Grange always ahead, pointing the way.

Herschel Newsom has been an able and effective advocate of the middle way in agriculture -- rejecting the extremes of complete reliance on the so-called "free market," on the one hand, and over-regulation of agriculture on the other. Your organization spelled out this philosophy in its policies and program statement last year, saying:

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"To a reasonable degree, the supply of farm commodities must be brought into balance with the actual needs of the nation, including its foreign commitments. Programs resulting in buildups of large government-owned stocks represent wasteful and unsound public policy.

"Producers themselves must face their responsibility for effective control and management of their production if they are to receive an equitable income resulting from a balance between supply and demand in the marketplace ...

"There is no quick or easy answer; no one program will provide a solution to the problems ...

"Programs should ... assure farm operators a maximum degree of freedom in the management of their business."

You have seen these precepts written into law in the Food and Agriculture Act of 1965, an act which I predict will go down in history as the single most important piece of agricultural and commodity legislation of modern times. This act, which has given new directions to our national food policy, is, in a very real sense, a Grange act, since it rests solidly on the certificate, two-price principle.

It is interesting to note that this principle has been a basic part of Grange policy ever since 1924, when Herschel Newsom's father, then Master of the Indiana Grange, was chairman of the National Grange's Agricultural committee.

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As a result of the Food and Agriculture Act of 1965, American farmers are freer today than they have been for 30 years. There are few controls. Programs for such basic commodities as feed grains, wheat, and in part, cotton, are now voluntary. Farmers have broad discretion, with each farmer deciding whether or not to participate in the programs. Soybeans and dairy are free of controls, as they have been in the past.

Only rice and tobacco are still under mandatory programs which require planting within established allotments. Farmers have regularly voted to enact these programs by margins of 97 to 99 percent in referendums.

Thus we have eliminated -- in the words of the Grange resolutions -- "programs resulting in buildups of large government-owned stocks ..." for Congress agreed with you that this kind of program, which was prevalent during the 1950's, "represents wasteful and unsound public policy."

Carryovers of wheat have shrunk from a high of 1.4 billion bushels to a current figure of 536 million; corn carryover has gone from a high of 2 billion bushels to some 866 million bushels, and surpluses of dairy products have been eliminated. A good start has been made on eliminating cotton surpluses, which should shrink by some 4 million bales during the next marketing year alone, through the workings of the Food and Agriculture Act of 1965.

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Nor was this job of surplus removal accomplished at the expense of farm income. Net farm income has risen from around \$11.7 billion in 1960 to more than \$16 billion in 1966, the second highest in history. Gross farm income will be the highest in history this year at \$49 billion.

Net income on a per farm basis is also the highest in history, having jumped from \$2,956 per farm in 1960 to an estimated \$4,900 in 1966 -- a 69 percent increase in six years.

Here in the great state of Minnesota per farm net income has gone from \$2,776 in 1960 to an estimated \$4,420 in 1966, an increase of \$1,644 per farm.

By citing these figures I am not saying that we have all our problems solved in agriculture. We still have a long road to travel before we reach parity of income. But we are a great deal nearer the parity of income target than we were six years ago, or even two years ago, since we have passed the Food and Agriculture Act of 1965, and since we have reversed the downward farm income spiral of the fifties.

We now have a four-year farm bill that allows producers to exercise their skill and managerial ability over an extended period, rather than on a year-to-year basis. We have the tools to show an increasingly urban-oriented Congress that farm programs operate in the national interest -- for farmers and consumers alike -- by maintaining a balanced and healthy agriculture.

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I do not expect that we shall always be in complete agreement in all facets of agricultural policy in the future, any more than we have always agreed in the past. It would be surprising if we did, since the Grange and the USDA, by their very nature, have some different goals and purposes.

But on fundamentals our ideas are closely parallel. The fundamental beliefs of the Grange have stood the test of time and trial and today are largely operable on the national scene.

In effect we have today the fabric of what I described as our goal in 1961 -- a National Food Budget. With the tools enacted in 1965 we can now produce what we do need for use at home and around the world, both for food aid and dollar exports, rather than producing what we don't need -- for storage -- as too often has been the case in the past.

The Food Budget concept is key in determining the best "mix" of food products for commercial markets at home and abroad and for the Food for Freedom program.

The market is generally an efficient guide to commercial (dollar) requirements. Starving children in other lands, however, don't affect the market in the United States very much until program decisions are made in the U.S. To protect them, we must in some cases increase output of the kinds of crops which can be used to meet their nutritional needs. Farm programs help steer our food production into the right channels to reach the proper "mix."

Last Monday Herschel Newsom spoke of "the efficient producers threatening their own financial solvency by their own productive capacity." Certainly this is a problem which has plagued every farmer for the past hundred years, and continues to plague him to this day.

And yet, in some quarters, a hundred years of bitter education in the laws of supply and demand -- which has culminated in our current federal commodity programs -- again are being swept under the rug. After 10, these many years, the cry is again heard to abolish our farm programs.

But the facts are simple, and stark, and should be known to every farmer. Although we will move an additional 25 to 30 million acres back into wheat and feed grain production next year, we will still have 20 to 25 million acres diverted from cotton and feed grains.

Without farm programs, much of this "surplus" acreage would move back into production, resulting in another round of surplus buildups and low prices as the market is smothered.

Thus the basic potential for overproduction is unchanged, and for the foreseeable future we will need our programs, both to avoid the spectre of surplus buildups and as a tool to expand output of specific commodities when we need them.

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Advocates of boom and bust in agriculture are not in the majority, but they are vocal and persistent. I am confident that the National Grange will reject these voices of irrationality as they have rejected them in the past.

I am confident of one more thing -- that the Grange's second century, which you are now entering, will be even more productive, even more exciting, than your first.

Nearly a century ago the Grange set forth in its Declaration of Purposes this primary goal:

"We desire a proper equality, equity, and fairness; protection for the weak; restraint upon the strong; in short, justly distributed burdens and justly distributed power. These are American ideals, the very essence of American independence, and to advocate the contrary is unworthy of the sons and daughters of an American Republic."

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You are the worthy successors to the early Grangers who wrote these words, and who did so much for the cause of mankind in the hundred years that followed.

I know you will "keep it up."

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It is always a pleasure to meet with my friends of the Cotton Producers Association.

Last month your general manager, D. W. Brooks, was one of the speakers at a cooperative workshop that we held in the Department of Agriculture in Washington. He said, and I quote from his speech, "We are now in a situation where the main struggle is going to be for food to the end of the 20th century."

I would like to underscore that statement. During the remaining years of this century, man's biggest problem will be that of getting enough to eat. And we dare not say, at this stage of history, that he will get enough to eat.

If we were to dream of a Utopia in which perfection replaced imperfection, I would like to think of a world in which there were many thousands of groups like the Cotton Producers Association -- in India, in Brazil, in Nigeria, in all the many countries where progress needs a stronger push.

If in the developing countries there were 100,000, or 50,000, or even a few thousand strategically-located, highly-effective farmer cooperatives comparable to yours -- actively working to develop communities, raise farm incomes, produce and market quality products, and give superior service to the public -- there would be no world food problem.

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Address by Secretary of Agriculture Orville L. Freeman at annual meeting of the Cotton Producers Association, Marriott Motor Hotel, Atlanta, Georgia, November 21, 1966, 6:15 p.m. EST.

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Man has the resources to feed himself. Where he has food problems, it is because he has not learned how to use these resources.

The effective use of resources is something that you have learned and learned well. During these 33 years of your organization's history, you have achieved such noteworthy success that it stands as an example and inspiration to the world.

I commend you for your achievements. And I urge you to go forward to even greater accomplishment, for whatever you contribute to this world's progress, it will be needed.

The United States is deeply involved in the world's food and agricultural affairs, and it is this involvement that I would like to discuss with you today.

I will add that I feel particularly at home in discussing it here because of your unique familiarity with the subject. Your poultry is being sold regularly in the markets of Hong Kong and Japan. Your cotton is feeding the mills of Europe. You are even building a fish meal plant in Peru. I do not know of any other farmers' organization whose operations have become quite as international in scope as are those of the Cotton Producers Association.

There are many things we might say about American agriculture's involvement in world affairs but I would like to focus on these three:

First, we are the world's most successful exporters of agricultural products.

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Second, the world will continue to need more and more of our products.

Third, we have the opportunity to make today's big export markets even bigger in the years ahead -- depending on the prosperity of our foreign customers, our ability to service them efficiently and competitively, and our access to their markets.

### Liberal Trade Leadership

Access to markets is another way of saying liberal trade.

As this world struggles to feed itself better, adequate production is a first essential -- but this must be accompanied by adequate distribution. There are in this world actual situations in which people on one side of the mountain have plenty of food and people on the other side are hungry. Trade barriers are like mountains. We need to cut through them; we must let our products move.

Our trade negotiators are today nearing a crucial stage in this matter of trade liberalization, in the Kennedy Round in Geneva. We stand for liberal trade on a reciprocal basis. We believe in give and take. We are prepared to give access to our markets to the extent that our trading partners give access to theirs.

I regret to say that so far we have little reason to be happy with what others are willing to do in the trade negotiations. We are calling on them to improve their trade access offers. Failure on their part to make suitable offers will require us to do less than we are prepared to do. The remaining period of the Kennedy Round will be a critical one.

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American farmers have a particularly big stake in successful trade liberalization. Year after year, we are setting new export records for our farm products -- \$6.1 billion in fiscal year 1965; \$6.7 billion in fiscal year 1966; an expected \$7.1 billion in fiscal year 1967; and even bigger exports ahead.

In order to keep these exports moving, we have to be prepared to accept imports. This is basic to all the principles of reciprocal trade. It is a small price to pay for a big return.

In fiscal year 1966 the United States exported \$6.7 billion worth of agricultural products. In that same year, the United States imported \$4.5 billion worth of agricultural products. Of those agricultural imports, \$2 billion were products we don't grow -- coffee, tea, bananas, and so on. The other \$2.5 billion was made up of so-called supplementary imports -- which, more or less, do compete with our own production. To get a true balance, then, we need to compare our \$6.7 billion of exports with our \$2.5 billion of competitive imports -- and we find that in our net agricultural trade, we were \$4.2 billion ahead.

Another way to look at it is in terms of acres. In fiscal year 1966 we exported the production of 80 million acres. We imported competitive products which represented the production from an estimated 12 million acres. On a net marketing basis, through two-way trade, we were ahead a total of 68 million acres.

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As I said before, we are paying a relatively small price in imports for a big return through exports.

At this point -- about as far away from a political campaign as we can get -- it is timely, I think, to comment that there were, and are, politicians and even some farm leaders who do their best to inflame passions regarding agricultural imports. They say very little about our record-breaking exports but they point with horror to our much smaller imports. American farmers, very wisely, are not being taken in by these false advisers.

Trade has become far too important, to American agriculture, and to our national economic well-being, to be made a subject of thoughtless political controversy. Agricultural trade is big important business. It needs to be conducted in a businesslike, enlightened atmosphere. It needs to be conducted by the rules of reciprocity that every businessman knows -- if you expect to sell, you also must expect to buy. And in this businesslike approach, I think American farmers -- with their big stake -- need to stand as vigorous leaders. No group in this nation has a bigger stake, individually and collectively, in foreign trade than the American farmer.

#### New Export Sales Kit

We can all be proud of our agricultural export success story. It is, literally, a best seller. I am personally proud of it because export expansion is one of my own special projects. I have been participating in, I have been supporting, I have been intimately associated with efforts to expand farm exports ever since January 20, 1961, when I became Secretary of Agriculture. I have regarded myself as an export salesman, and I have worked with our people in the Department of Agriculture to put together one of the best sales kits that I think any Government has ever made available to the agricultural segment of its economy.

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When you accept the office of Secretary of Agriculture, you enter a sort of continuing town hall meeting in which people show how they feel by throwing things at you. You hope they will throw some bouquets but you know for certain they are going to throw some brickbats. In the area of export accomplishment, however, let me say that the brickbats have been few and the bouquets many. Our agricultural export policies and programs are yielding spectacular results and they are strongly supported across the nation. This is, of course, highly gratifying.

Let me mention what we are doing to help you on cotton exports. I don't need to tell you that cotton -- one of our country's oldest and finest exports -- is having some problems. It is facing tough competition from both man-made fibers and foreign grown cotton in the world market. Despite these problems, however, things are looking up. Our exports of cotton in this current marketing season are expected to total about 5 million bales -- which is a 70 percent improvement over the 2.9 million bales we shipped abroad last year. Cotton stocks, which rose to a record of nearly 17 million bales last August, may be brought down to around 13 million bales this next August.

Our cotton economy continues to go through the kind of adjustment that led in 1933 to your organizing the Cotton Producers Association. Surplus acres are being taken out of cotton. You have been pioneers in carrying out diversification in Georgia. You have found it difficult but, in the long run, profitable for it leads to a better balance in your farming operations.

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Cotton has had its ups and downs but as long as there is an American agriculture there will be cotton production and cotton exporting -- and we will continue to do our level best to help you meet your problems in each.

We are feeling optimistic, for example, that cotton can do a better job of meeting the competition of man-made fibers because of two new developments.

One is the united effort that eight cotton-producing countries, including the United States, will be making under the new International Cotton Institute. This Institute, through education and promotion, will work to maintain cotton's prestige position among world consumers. Using funds derived from the Public Law 480 program, our country is one of the leading financial supporters of this stronger approach. To these funds will be added contributions from the other members: Mexico, Spain, Sudan, United Arab Republic, Tanzania, Uganda, India, and, eventually, we hope some other cotton exporters, as well.

The other development comes from new legislation that can enable American farmers to expand greatly their own research and market promotion work on cotton, at home and abroad. As you know, you cotton growers will have the opportunity during the week of December 5-9 to vote on the proposition that you assess yourselves \$1 a bale on your cotton, for the purpose of raising funds to finance this market development work. The program would be administered by a new Cotton Board.

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Through these two approaches, for the first time in history that wonderful natural fiber known as cotton can have the opportunity to meet head-on the very strong marketing offensive launched by the man-made fibers. What we propose here is to give cotton new courage, new purpose, and new ability to compete. We are all hopeful of good results.

#### Bright Future for Poultry

Poultry is another good product of the South in which we are working actively with you to meet competition and expand exports.

Our exports of poultry products are large and holding up. During this 1966 year we expect them to total more than \$90 million, which is twice the average size of our poultry exports during the 1957-59 period.

Your organization, and others like you throughout the country, deserve high praise for helping to build these markets. All of us in the Department of Agriculture were pleased, three years ago, that we could nominate your Gold Kist Poultry Growers for the President's "E" Award, for export excellence. As the award citation said, Gold Kist Poultry Growers are helping to lead the way by maintaining high standards of export quality, by meeting specific requirements of foreign customers, and by aggressively seeking out and building foreign markets.

The work we are doing together on poultry export promotion is leading us to distant places where, only a few years ago, nobody would have thought to look for markets. I am thinking for the moment of Japan and Hong Kong. Europeans have been buying our poultry for some years but it is only recently that we've gone after customers in the Far East.

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In August and September, the Department's Foreign Agricultural Service -- in cooperation with American food trade groups and the Institute of American Poultry Industries -- staged poultry export promotions in Tokyo and Hong Kong. Gold Kist poultry was right in there, looking for business and finding it, too. These were highly successful promotions.

American poultry exports have a bright future. Our poultry meat is nutritious, it is economical, and it is appreciated by foreign consumers. This is true in Europe, in the Far East, on every continent.

#### New Promotion for Peanuts

Another of your special products that has a promising export outlook is peanuts.

We've been eating and enjoying peanuts in the United States much longer than we've been playing baseball, and that's a long time. But there are many parts of the world where people still don't know much about peanuts, or peanut butter, or peanut oil, or other products from this versatile crop. Yet, when we introduce these people to peanuts, they like them. This certainly was true in Munich, Germany, in September at the International Exhibition of Groceries and Fine Foods. The National Peanut Council had a promotional booth at the show, as part of our trade fair participation. American peanuts and peanut butter were sampled by thousands of visitors, and what they ate they liked. This sort of testing is the first step in market development.

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The Department of Agriculture is cooperating on a new peanut market development program with the National Peanut Council. It is a small program now but it is moving ahead. We have our eye on the United Kingdom and West Germany as particularly interesting possibilities. Also, we think there may be possibilities in Japan. Since the Japanese have adopted our national passion for baseball, perhaps we can persuade them to go all the way and adopt our peanuts, too!

In 1960 we exported only 4 percent of our peanut production; last year, we exported almost 10 percent. If we use the right combination of high quality product and effective promotion, I predict that peanuts will take its place among our active export commodities.

#### World Needs Our Products

American farmers have become an important part of a world food supply operation which seems almost boundless in its dimensions.

Number one, each year the world has many more people to feed. There are 65 million more mouths to feed this year than last.

Number two, some countries are enjoying unusual prosperity. In Western Europe and Japan, in particular, salaries and wages have never been as plentiful nor as good. People are buying and we are supplying.

The population boom tends to be reflected in our food assistance to developing countries, for this is where much of the growth is taking place. These food aid programs are big -- they account for about one-fourth of our total agricultural exports. But it is not in these programs that effective world demand is reflected. This demand is reflected in our commercial export operations.

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It is the prosperity boom, not the population boom, that is behind our strong markets in Western Europe and Japan. This income explosion as it has been called, is causing people to live higher on the hog -- and I use this not just as a figure of speech but as an actual fact.

People who can afford it will live better. The first thing they do is to eat less starchy foods -- such as bread and potatoes -- and more high protein foods, such as meat, milk, and eggs. But meat, milk, and eggs require livestock and poultry, which in turn require feed grains. And here we see why this past year American farmers shipped the largest amount of feed grains ever exported in the history of this country. This export figure for feed grains came to \$1.4 billion. Almost all of it was commercial dollar business. It pushed feed grains -- a comparative newcomer in the export field -- to the top of the list as our country's largest dollar earning export, exceeding even such industrial items as automobiles, airplanes, and chemicals. Wheat has been in the billion dollar export league for several years. Soybeans made it a threesome in the 1965-66 fiscal year.

#### Bigger Export Markets Ahead

Export records of this magnitude do not happen accidentally or spontaneously. They are the product of hard work, by many people.

The Department of Agriculture is working closely with a large number of U.S. trade and agricultural associations, and this work has paved the way for many of these records. These are jointly financed projects. Government funds, from the Public Law 480 program, are linked with private funds, and together we are carrying out market development operations in 71 countries.

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We have built agricultural exports today to a size hardly dreamed of only a few years ago. We are exporting more than half our production of wheat, rice, hides and skins, and dried edible peas -- more than one-third of our soybeans, hops, tallow, grain sorghums, nonfat dry milk and prunes -- and substantial parts of our production of cotton, corn, barley, poultry, tobacco, raisins, lemons, and processed foods.

By any standard, the growth in our agricultural exports is one of the major success stories of this era. These exports are bringing substantial income to farm and city people, they have reduced our surpluses, they are providing outlets for our production, they are feeding and clothing our foreign friends, and they are giving strong support to our Nation's balance of payments.

Proof of the support extended to our balance of payments is to be found in the fact that we have doubled our dollar-earning commercial exports between the mid-1950's and the mid-1960's. In the 1954-57 period, these agricultural exports for dollars averaged less than \$2.4 billion; in fiscal year 1966 they came to \$5.1 billion.

#### Bigger Exports Markets Ahead

The future looks bright for our agricultural markets abroad.

I am confident that the prosperity we are seeing in the developed countries is solidly based and will continue to grow. And this will be a powerful magnet, attracting our products.

We will continue to strive for improved access to overseas markets.

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As for food aid, we have a new approach -- embodied in President Johnson's Food for Freedom program -- through which we hope to help the developing nations to speed their transition from aid to trade. It is becoming increasingly clear that the big future markets of the world lie in the less developed nations with their big and increasing populations. As we help this sleeping giant to awaken and this market to come to life, the marketing opportunities for agricultural producers will be almost limitless.

If we use the dollar sign as the measurement of accomplishment, we can look for the dollar value of our agricultural exports to continue to grow, year by year, in the period ahead.

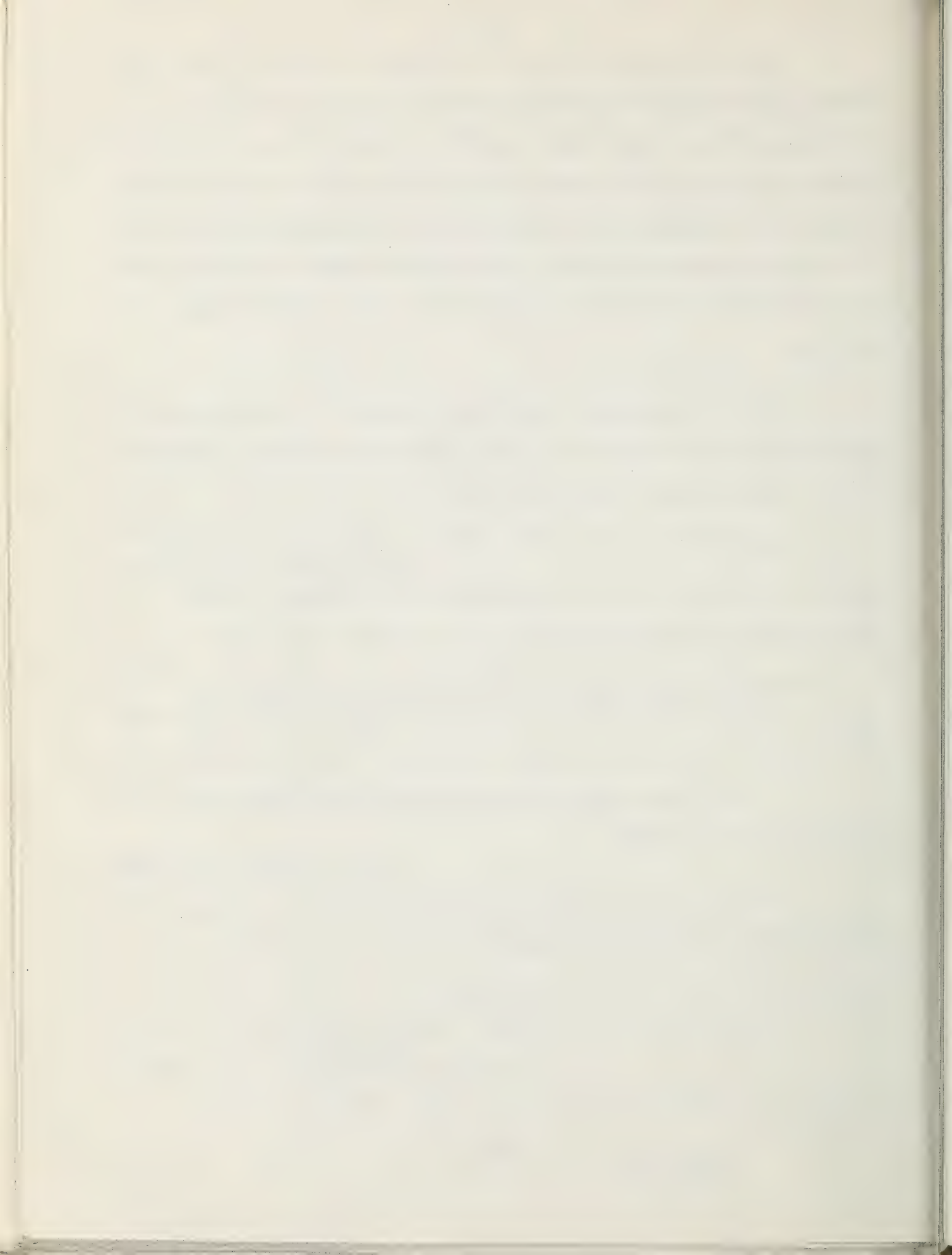
Today's export level of over \$7 billion can grow to \$8 billion by 1970. And that \$8 billion level of agricultural exports can grow to \$10 billion by 1980, or sooner.

I have no doubt that this export accomplishment will take place.

It will be the American farmer's answer to the world's need for food and feed and fiber.

And I know that you members of the Cotton Producers Association will be helping to provide that answer.

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Walt Mason once wrote that "Little grains of sugar mingled with the sand, make the grocer's assets swell to beat the band."

Let's substitute the word "Hawaii" for "the grocer" in Mr. Mason's satire, and see what we have. Now it reads, "Little grains of sugar mingled with the sand, make Hawaii's assets swell to beat the band."

That's exactly what has happened in Hawaii. Your assets have been swollen for a hundred years by the "grains of sugar" which, added together, make up your most important trade commodity. "Sand," as exemplified by Waikiki and other famous beaches on these lovely islands, has become another of your principal income producers -- tourism.

I need not remind you people meeting here today of the overriding importance of sugar in the Hawaiian economy and society. Your industry is a marvel of efficiency and organization; your mechanized operations are without a peer in the sugar world; your sugar workers are the highest paid anywhere, at home or abroad, and on top of that you furnish fringe benefits that are virtually unknown in most agricultural operations. Still you are highly competitive with other sugar-growing regions and nations.

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Address by Secretary of Agriculture Orville L. Freeman at 86th Annual Meeting of Hawaiian Sugar Planters Association, Agee Hall, HSPA Experiment Station, Honolulu, Hawaii, December 6, 1966, 11 a.m. HST (4 p.m. EST).

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How were you able to achieve this remarkable record? We both know -- both you people responsible for it, and I -- that it didn't just happen. A century ago you began to recruit a working force from all over the world, and this ethnic fusion, or blending, produced a healthy, tolerant, and efficient society that long has been a model for all the world to see and admire. I'd like to insert here a personal note of regret that not all the world has yet seen fit to emulate it.

Almost from the beginning, research has bulked large in your progress -- and promises to continue to do so, in the future, in advancing sugar and other products. Your Association established this grower-financed Experiment Station where we meet today, more than 70 years ago. In it, your scientists have developed new plant varieties and weed and insect controls. Your insistence upon efficient organization has opened the door to better work methods and to improved technological skills in your mills.

Research supported by your Association is presently being conducted on the physiology and biochemistry of sugarcane. You are investigating chemicals to control plant ripening. You are exploring the mysteries of photosynthesis, including the influence of nitrogen and sunlight on the process and the role of water on the conversion of nutrients into plant growth and sugar yield.

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I'm glad to learn also that you are doing research in mechanical harvesting equipment. When you are able to minimize the expensive cleaning operations presently required to remove trash brought to the mills with the cane, you will have improved immeasurably the efficiency and economics of sugarcane production.

Your own wide-ranging chemical and technical curiosity, combined with research of the Hawaiian Agricultural Experiment Station and studies being made by the Agricultural Research Service of the U.S. Department of Agriculture, holds great promise of future gains for the industry.

Finally, not the least of the factors contributing to your success has been the dauntless determination of your people to be successful.

I relate these factors not because I am a guest who wishes to flatter you -- although certainly you are entitled to flattery on many scores -- but to cite your historical experience as an example of what can be done with the aid of determination and enterprise.

American agriculture -- perhaps the greatest production marvel in the history of mankind -- is another such example. I think you will agree that it is little short of miraculous that fewer than 8 percent of our people are able to produce food that: (1) Feeds the residents of 50 States at the lowest real cost and highest quality level in the world; (2) furnishes quality food, at welfare rates or free, to about

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5 million needy people at home; (3) provides commercial exports of food and fiber worth \$5.1 billion a year; and (4) contributes to the diets of many millions of people in more than 100 less-developed nations around the globe.

Since 1960, the per capita rate of increase of farm productivity in the U.S. has been almost double the rate of increase in the non-agricultural economy.

While this miracle of agricultural production has contributed hugely to the American image of world leadership, it has not been without its problems, to be sure. You have only to think back to the burdensome surpluses and low farm prices of the 1950's -- only half a dozen years ago -- to recall a widespread belief that the so-called "farm problem" was all but insoluble.

We learned to live with those problems -- by abolishing them. Today we have no food surpluses. Gross farm income is the highest in history, and net income in 1966 will have been exceeded, by a small amount, in only one other year: 1947.

One of our early remedies for the "farm problem" was establishment of a goal -- a National Food Budget -- that still guides our agricultural policies. The Food Budget concept is a key in determining the best "mix" of food products needed for commercial markets at home and abroad and for domestic and foreign aid as well. Last year, the Congress gave us a four-year agricultural program -- the best in

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history -- that enables us to adjust acreage so we can produce what we need for use at home and overseas rather than to under-produce or to over-produce for storage, as too often was the case in the past.

The "do-much" 89th Congress also gave us a Food for Freedom program that provides both continuity and new direction to U.S. food aid efforts.

With these tools in our agricultural kit, we are confident that the gains racked up for American farmers in the past six years were only a beginning.

Now we are mightily challenged by a threat of worldwide famine in the dangerously-near future -- unless we can produce more food to nourish the million-plus persons added every week of the year to the billions of people in the world.

This food crisis lacks the high visibility of the confrontation in Vietnam. Incipient hunger on a world scale is harder to visualize than in a single individual -- in a starving child, say, who is too weak to cry for food.

This imminent food crisis compels us to ask these questions:

What is the greatest challenge of our age? Is it the conquest of space? Final victory over disease? Permanent peace?

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These are all great goals, to be sure, and all to be sought. But unquestionably the greatest challenge of our age is to banish hunger from the earth in our time. If we fail ... and widespread famine erupts ... global catastrophe and another Dark Age lie ahead.

If we win, this age, our age, could well be immortalized as the Age of the End of Hunger, and all succeeding ages of man will call it blessed.

In this strange new war, the strategists are more concerned with demographers' charts than with topographical maps. Last year these charts showed a gain of 65 million persons in the world population. Unfortunately, most of those millions were born in the underdeveloped nations least able to feed them.

President Johnson expressed it this way when he signed the Food for Freedom bill into law last month: "Most of the developing world is now in crisis -- one that is more serious than any ideological disagreement. Rapid population growth is putting relentless pressure on food supplies.

"For six consecutive years, world food consumption has exceeded production.

"A precarious balance has been maintained through our surplus stocks. Seventy million tons of surplus grain have been used since 1961. But today the surpluses are gone."

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It is estimated that in 3 to 4 years, 2-1/2 billion people will be living in the food-short developing countries of Asia, Africa, and Latin America. Nearly one-third -- or about 800 million -- will be in Communist Asia. Nearly one-fourth -- some 600 million -- will be in India.

This hunger war is global, striking hardest at the South American barrios, African villages, and embattled Asia. Eventually it will affect all of us.

While population growth of 3 percent a year doesn't sound like much, it means that a population growing at this rate doubles within a generation and multiplies 18 times within a century. Each new female has a potential of producing six children. Often this potential is realized in the less-developed Nations.

Much has been said and written about the population explosion. But there is a second explosive force that is generating additional demand for food production -- production which last year was static as the world's population grew by 65 million.

The second explosive force is a rapid rise in per capita income. It is occurring in many countries, and particularly in the more advanced ones. Rising incomes exert pressure on the world's food-producing resources largely because they generate an additional demand for meat and other animal products.

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The use of grain for direct consumption -- that is, for human food -- rarely exceeds 400 pounds per person per year, regardless of income. Once annual incomes reach several hundred dollars a year, the consumption of grain as food begins to decline, dropping to the 150-200 pound level where it seems to level off.

But a higher-quality diet requires greater quantities of grain.

That is true because it takes only about 400 pounds of grain a year to sustain a diet of some 2,000 calories a day in countries where most of the grain is consumed directly as food. It takes about 1,600 pounds a year to support the U.S. diet of 3,000 calories daily, since most of our grain is eaten indirectly as meat, milk, and eggs. That amounts to four times more grain for one-half more calories.

So, in this decade of the '60s, two factors are at work: Sharp population gains in the less developed nations are causing rising demand for food grains; rising income is pushing up demand for the feed grains. Taken together, these forces are causing an explosion in demand that the world's farmers are not equipped to meet at this time.

In the past, the excess of consumption over production was satisfied in food-deficit countries by using surplus stocks held by the major exporting nations, particularly the United States. Today, however, our stocks are down to the level of prudent reserve, and next year we are bringing back into production more than half of the acreage we have been holding in ready reserve.

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This situation has led to a basic re-thinking of our food aid policies.

A half-dozen rules of conduct have been adopted as guidelines in American food aid policy. Not all of them are in full operation, but soon they will be.

We must, first and most importantly, help developing nations to stimulate their own agricultural production. This, in the end, is the only way in which to win a lasting victory in the silent war against hunger, malnutrition, and famine.

The ability of the United States and other so-called developed countries to feed the world is strictly limited. In the long run, the two billion-plus people in the less-developed world must learn to feed themselves.

President Johnson proposed this principal of "self-help," in his Food for Freedom approach to food aid, as a major long-term factor in averting a global food crisis.

We must continue our food aid temporarily to ward off famine and to buy time during which the developing world may upgrade its own agriculture.

We must bring new lands into cultivation in whichever of the less developed nations it is feasible in terms of economics and conservation.

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We must do more to make available birth control information to those nations that request it. The new Food for Freedom program authorizes the use of foreign currencies from export sales in support of family planning programs.

We must expand our efforts to develop new sources of protein foods. Under Food for Freedom, we have placed additional emphasis, especially in donation programs, on foods for children that meet their requirements of proteins, minerals, and vitamins.

As a corollary to this final point, we must recognize that a first cousin of hunger -- malnutrition -- is an insidious foe of normal physical and mental growth in children. Hunger is related to the quantity or calories of food, malnutrition to the quality of it. We don't know how many millions of children suffer permanent mental and physical impairment because of malnourishment before the age of 5 years.

Now we have stated the problem. What can we do about it?

Most of the food increase to meet projected increases in demand during the next three decades must come from increased crop yields -- principally in the underdeveloped nations.

How can this be achieved?

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The vast potential for increased productivity is illustrated -- to cite one example -- by the fact that in India there are some 90 million acres sown to rice. Average yield is 1,300 pounds per acre. If only 5 percent of this acreage were made to produce at the U.S. rate of yield and if that land were double-cropped (one of the advantages of agriculture in the tropics), 16 million additional tons of rice could be grown each year.

The fertilizer industry says such an increase could be accomplished within two years with varieties of rice and other agricultural practices already existing in India. If so, it could eliminate the Indian grain deficit which has been such a burden on the U.S. foreign aid program.

You in Hawaii have pointed out the right direction ... with your application of research and advanced agricultural technology in the production of sugarcane. You have proved that tremendous increases in productivity can be found in greater capital investments and wider use of adaptive research and advanced technology.

Three basic efforts, then, are required in food-deficit regions seeking to become more nearly self-sufficient in agriculture:

1. Adaptive research, followed by education of producers at the farmstead and rice paddy level to accept and employ advanced agricultural technology developed by research centers.

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2. Action by their own governments to improve farm prices, and thus to give local farmers an incentive to use the products of research and technology.

3. A sharp change of policy and attitude in many developing nations. Agriculture must be assigned greater priority -- and prestige. To do this may well mean postponing spectacular industrial projects that heretofore have received a lion's share of the national investment and interest.

The leadership in food-deficit nations will have to make some hard and unpopular political choices in order to achieve these ends. Food price policies must be changed so that farmers will find it profitable to use fertilizer and other essential production investments. And, if farmers in developing lands are to receive massive help in the form of technical and capital aid, their governments must create a far more favorable climate for foreign investment than exists in most of them today.

Winning the war against hunger will require the compressing of a hundred years of agricultural progress into 10 or 15 years. It means, in some nations, a leap from primitive to modern -- from the stick-plow to the tractor and combine -- in a single generation.

Recent rapid progress of Israel, Mexico, Taiwan, and a number of other developing nations has shown it can be done.

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Between 1942 and 1964, Mexico changed from a wheat-importing nation to a wheat exporter. Average wheat yields rose from 11 bushels per acre to 39 bushels, and total wheat output went up 6½ times.

Mexico's program was balanced to increase soil fertility, to suppress pests and diseases, and to use irrigation and improved wheat varieties. Equally important: The government gave farmers an incentive by supporting farm prices.

Other nations in the developing world can do as well. We are prepared to help them ... with technical assistance and food aid to those countries that seek to improve their own production ... thereby meeting reasonable standards of self-help.

I shall conclude my remarks with several examples of what is taking place in the effort to meet the serious protein deficiency in the world.

Since less developed nations cannot afford to obtain their protein from animal sources, our scientists are seeking to convert vegetable proteins -- such as soybean flour or cottonseed -- into tasty food mixtures that will provide nutritionally adequate diets at low cost. At the same time, we are trying genetically to breed more protein into grains and seeds.

Perhaps you have heard of Incaparina. USDA scientists in the Agricultural Research Service (ARS) helped to develop this protein food product which has produced remarkable results in curing protein

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deficiency diseases in children of Latin America. Incaparina is used to make a thin gruel drink, to make non-bread foods, to enrich soups, puddings, and other foods.

The U.S. Department of Agriculture laboratory at Peoria, Ill., recently achieved a breakthrough in developing a simple hand process that can be used in the remotest villages to make high-protein soybean flour. Also at Peoria, ARS scientists learned to ferment cereals and soybeans to make a food that resembles tempeh. This is of great value in food-short Indonesia, where tempeh is a dietary staple heretofore made entirely from soybeans.

A simple, practical process for making peanut flour is being developed at our Southern Laboratory in New Orleans. Our Western Utilization Research Laboratory (WURL) in Albany, Calif., has developed a high-protein food known as WURLD wheat. A soy coating is steamed onto the whole or cracked wheat kernel from which the bran has been removed by lye-peeling.

Many more such products have been developed by USDA scientists working with the Agency for International Development (AID), the United Nations Children's Fund (UNICEF), and the food industry.

My personal staff adviser in this nutrition field -- so vital to the undernourished populations of the developing world -- is a distinguished scientist from our Southern Laboratory, Dr. Aaron M. Altschul. He is working with scientists in India and other developing

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countries. He is also seeking to enlist private industry to produce protein-enriched foods tailored to the traditional eating habits of the less-developed countries and then actively to promote a market for them where needed. This dual approach is necessary because eating habits are deep-rooted and hard to change.

Research has shown the value of fertilizer in stimulating grain production. Under proper conditions, one pound of fertilizer yields on the average 10 pounds of additional food grains. The Indian government has recognized this in setting a production goal of 2.4 million tons of nitrogenous fertilizer by 1970-71. Equally important, it has taken steps to insure fair prices to the Indian cultivator so he will find it worth his while to use fertilizer.

You, in Hawaii, know that enough water used at the right time is often the answer to greater production. You have set an example here with your well-planned systems of irrigation. With adaptation, what you have learned about sugarcane irrigation can be exported to other regions where water is the vital ingredient for production gains.

Here in Hawaii you have an ideal instrument not only for carrying on research, but for the exchange of scientific findings and ideas as well. Your East-West Center, with its magnificent concept, offers facilities for interchange of technical skills, of experimentation with the new, and probing of the unknown. Dedicated

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as it is to helping to satisfy fundamental human needs, it provides a training ground to bring into active service people from many Asian and Pacific nations and our 50 States.

The subject of adaptive research and technology in tropical agricultural production is one of interest to the Federal Government. In recent legislation containing the President's Food for Freedom proposals, it was stated that laboratories should be established in the United States and abroad.

This authorization has been discussed in the USDA and other agencies and with members of Hawaii's Congressional delegation. The Administrator of the Agricultural Research Service has visited these Islands and discussed the matter here. There is little immediate prospect of financing such developments in the United States or abroad, but I have directed Dr. George Mehren, Assistant Secretary of Agriculture and Director of Science and Education, to work with appropriate officials in the Agency for International Development (AID) to launch a location study, including the merits of Hawaii. When this has been completed and the Congress has appropriated construction funds, we shall be ready to proceed without delay.

Meantime, I am gratified at the strong emphasis that agriculture continues to have in the economy of Hawaii. You have performed a miracle of development that should stand as inspiration and guidance to tropical agriculture everywhere. If the less-developed

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countries could do with their farming resources what you have done here in Hawaii, the world would not be faced with a shortage of food.

You have given agriculture the emphasis it needs ... and the stature it deserves.

You have carried out that adaptive research so fundamental to advancing agricultural proficiency.

You have provided inspiration for greater capital investment ... and at the farm level you have given the right incentives for greater use of the products of research and technology.

The next step is to adapt what you, and others, have done in research and production and make it usable in less fortunate lands. This is one reason we shall give constructive and sympathetic consideration to your proposal for a research center that will help to serve the world ... as your earlier work has so well served your State and Nation.

The world must take heed of the lesson you and the others can teach if it is to survive as the domain of civilized man.

If that lesson is not learned in time ... ahead lies terror and despair. For there is neither security nor serenity in a world gone mad with hunger.

Let me close now by quoting two lines I came across just the other day. In their simplicity lies eloquence ... for they sum it all up in just 15 little words:

"When my stomach was full

they called me Man

"When empty,

they called me Beast."



U.S. Department of Agriculture  
Office of the Secretary

It is always a pleasure and an education to come to Hawaii.

I find it a pleasure in the same way as do the 700,000 tourists that are being attracted this year by the world-famous beauty and hospitality of your Islands.

And I find it an education because every time I come here I learn something new and interesting and vital about your agriculture.

I think the most surprising thing the Mainlander learns about the Hawaiian Islands is that it isn't your tourist business -- big and important though it is -- that is your No. 1 industry. It is agriculture.

I saw a recent report from the Bank of Hawaii which gave the very large figure of \$300 million as your annual income from tourists -- but then it went on to give the even larger figure of \$350 million as your annual income from agriculture. The report called agriculture your "bedrock industry" and "the largest single field of productivity in Hawaii."

Since agriculture has always been so much a part of our lives, there sometimes is a tendency to overlook its importance. Perhaps this is because there isn't as much excitement to raising a crop as there is to taking a trip to Hawaii, or splitting an atom, or sending a man to the moon.

A lot of people were surprised in the Midwestern States when I pointed out to them recently that in this time of trouble with our Nation's

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Remarks by Secretary of Agriculture Orville L. Freeman upon presenting the President's "E" export award to Dole Company, Honolulu, Hawaii, December 12, 1966, 11 a.m. Hawaiian time, 4 p.m. EST.

international balance of payments and our need to earn more dollars through exports, the most successful dollar earner in international trade today isn't automobiles, or airplanes, or electronic equipment, or similar glamour products. Rather, it is feed grains.

We are selling more feed grains from American farms in the world market today -- corn, grain sorghums, barley, and so on -- than any other product that the United States exports. Our feed grain exports in the 1966 fiscal year totaled \$1.4 billion in value, and 90 percent of this moved as commercial cash sales. Feed grain exports exceeded by a hundred million dollars the leading category of U.S. industrial exports, which is motor vehicle and tractor parts.

I would add that two other farm products also belong to this Billion Dollar Export Club -- they are wheat and soybeans. We are exporting more than \$1 billion of each commodity annually.

In today's world, with the increasing demands being made by commercial markets and the increasing need in countries that are short of food, no country can afford to overlook its agriculture or accord it second place. The food crisis in some parts of the world is clear evidence of the penalty people must pay when they make this mistake.

I am gratified at the strong emphasis that agriculture has had and continues to have in the economy of Hawaii. You have performed a miracle of development which should stand as inspiration and guidance to tropical agriculture everywhere. If the less developed countries could do with their agricultural resources what you have been able to do here in Hawaii, the world would not have a shortage of food.



The clearest evidence of the success of our American system of agriculture is the fact that through exports, our country is doing more than any other to help feed the rest of the world. The production miracle of American agriculture is matched by its equal success in supplying world trade. We are holding this ceremony today as a means of honoring one of the contributors to this outstanding success story.

During each of the past three years, for the first time in our country's history, the food and agricultural exports of the United States have exceeded \$6 billion in value. In the fiscal year that ended last June 30, these exports totaled \$6.7 billion. In the fiscal year that we are now in, we expect them to reach \$7.1 billion.

Nor have we reached the pinnacle. Our exports of food and agricultural products can grow to \$8 billion by 1970. And that \$8 billion level can grow to \$10 billion by 1980, or sooner.

Exports of this magnitude do not happen accidentally or spontaneously. They are the product of hard work, by many people -- by the Dole Company, its officers, and its employees -- by hundreds and thousands of similar business organizations that also are alert, innovative, and aggressive -- by dozens of American trade and agricultural associations -- and by our Government.

We have today a unique collaborative effort taking place between private industry and Government to build the export sales of American products. Both the Department of Commerce and the Department of Agriculture are actively involved. In the Department of Agriculture we have a special market development program in which we have linked our efforts and our financial support with efforts and finances provided by the private sector, and together we are carrying out export

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sales promotion work in 71 countries. The American fruit and vegetable industries are among the effective cooperators in this work. Through trade fairs, trade centers, and special promotional programs, we are keeping up a steady and successful drive to acquaint foreign consumers with our excellent food and agricultural products.

We are matching this with strong effort to reduce foreign trade barriers so that our products can enter foreign countries and compete in the market. I know that Dole Company is well acquainted with the importance of this work because wherever we have been able to improve access for your products, you have been in position to follow up with bigger sales.

Because of this work to expand exports -- this joint effort by private industry and Government -- we have built our food and agricultural exports to heights that were not even dreamed of a few years ago.

Our Nation's total agricultural exports in fiscal year 1966 were twice the size of those of fiscal year 1956. (\$7.1 billion vs. \$3.5 billion.)

Furthermore -- although we are exporting large amounts under the food aid program -- the big gains in our exports have been in the commercial sales that bring back dollars. Our commercial sales of food and agricultural products in fiscal year 1966 were two and a half times larger than 10 years ago. (\$5.4 billion vs. \$2.1 billion.)

All of us can take much pride in this accomplishment.

I am personally proud of it because export expansion is one of my own special projects. I have been participating in, I have been supporting, I have

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been intimately associated with efforts to expand exports ever since January 20, 1961 when I became Secretary of Agriculture. I have regarded myself as an export salesman, and I have worked with our people in the Department of Agriculture to put together one of the best sales kits that I think any government has ever made available to the agricultural segment of its economy.

This sales kit, coupled with the innovations and the individual drive provided by private business, has been an effective combination. The "E" Award that we are presenting today says eloquently that it has been an eminently successful combination for the Dole Company.

So now I would like to move on the real business of the day -- the conferring upon the Dole Company of the President's "E" award for outstanding export accomplishment.

I bring you not only my own congratulations but also those of my good friend John T. Connor, Secretary of Commerce.

We are delighted that the Dole Company has been selected to receive President Johnson's special "E" award for success in expanding American exports. We are delighted that from now on, the Dole Company is privileged to fly the "E" Award flag over its facilities, thereby telling the people of Hawaii and the Mainland that here is a business firm that is doing an outstanding job, for itself, for its employees, for the State of Hawaii, and for all of America.

In this new era of export emphasis, we are paying more attention to exports of food and agricultural products than ever before. We need the foreign markets -- and our foreign friends need our products. In this fair and friendly exchange, Dole Company is playing an active participating role.

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Before coming to Hawaii, I looked at the export figures for the Islands for this past year -- fiscal year 1966 -- and I found that in total, Hawaii exported to various foreign countries about \$20 million worth of food and agricultural products. This is, of course, a tidy sum. It means this much additional income distributed throughout the Islands.

Next I looked at the export total for the Dole Company -- and I found it to be close to \$10 million. Much of this, I gather, comes from your Hawaiian operation. In other words, through your own emphasis on exports, you are making a substantial contribution to the total export achievements of your Island agriculture.

There are many good reasons why your export achievements are important but I can think of three that stand out.

First, your food products are enabling our foreign friends to live better. Take pineapple, for example. People who live and work with pineapple may get so accustomed to its delicious, exotic qualities that you take them for granted -- but we Mainlanders look on pineapple as one of Mother Nature's special gifts to mankind. It is one of those happy products that is pleasing to look at, delightful to smell, even better to eat, and besides it is nourishing and good for you. You can't ask for much more than that -- and, through export sales, we are delighted that you can share large amounts of this and other good food products from the Islands with our friends in other countries.

Second, your exports are enabling you to live better. Dollars brought back here from your export sales mean additional jobs and income. I understand that Dole Company has about 10 percent more output and about 450 more employees than it would have without its export business.

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Third, you are making an important contribution to our Nation's drive to earn foreign exchange as a means of helping our international balance of payments. This reason may seem a little remote but in actuality it is very practical, very much down-to-earth, and very important. Our country, in its international financial dealings, is just like all of us -- it has money coming in and money going out. ' If more money goes out than comes in -- and this has been happening in recent years -- our international balance of payments gets out of kilter, our dwindling gold supply has to be tapped to make up the deficit, and our excellent currency, the dollar, has a problem of maintaining its outstanding reputation and strength.

Through dollar-earning export sales -- such as those you are making -- you are bringing money back into the United States and thus helping to strengthen our country's international financial position. In the final analysis, this is just as important as the other two contributions that I mentioned.

The export achievements of the Dole Company are well stated in your "E" Award citation which I would like to read at this time:

"To the Dole Company, Honolulu, Hawaii: Meeting intense competition and in spite of high tariff barriers in several prime markets, Dole Company has achieved consistent and substantial increases in exports through the introduction of a liberal credit policy, use of multi-lingual labels and advertising, unitized shipments, and participation in overseas commercial exhibits. This aggressive international marketing program reflects the highest credit on Dole's management and employees, and on the American free enterprise system."

It is my signal honor to present this citation and this flag to Mr. William F. Quinn, President of the Dole Company, on behalf of the firm, its officers, and its employees -- and, may I add, with the personal best wishes and congratulations of President Johnson.

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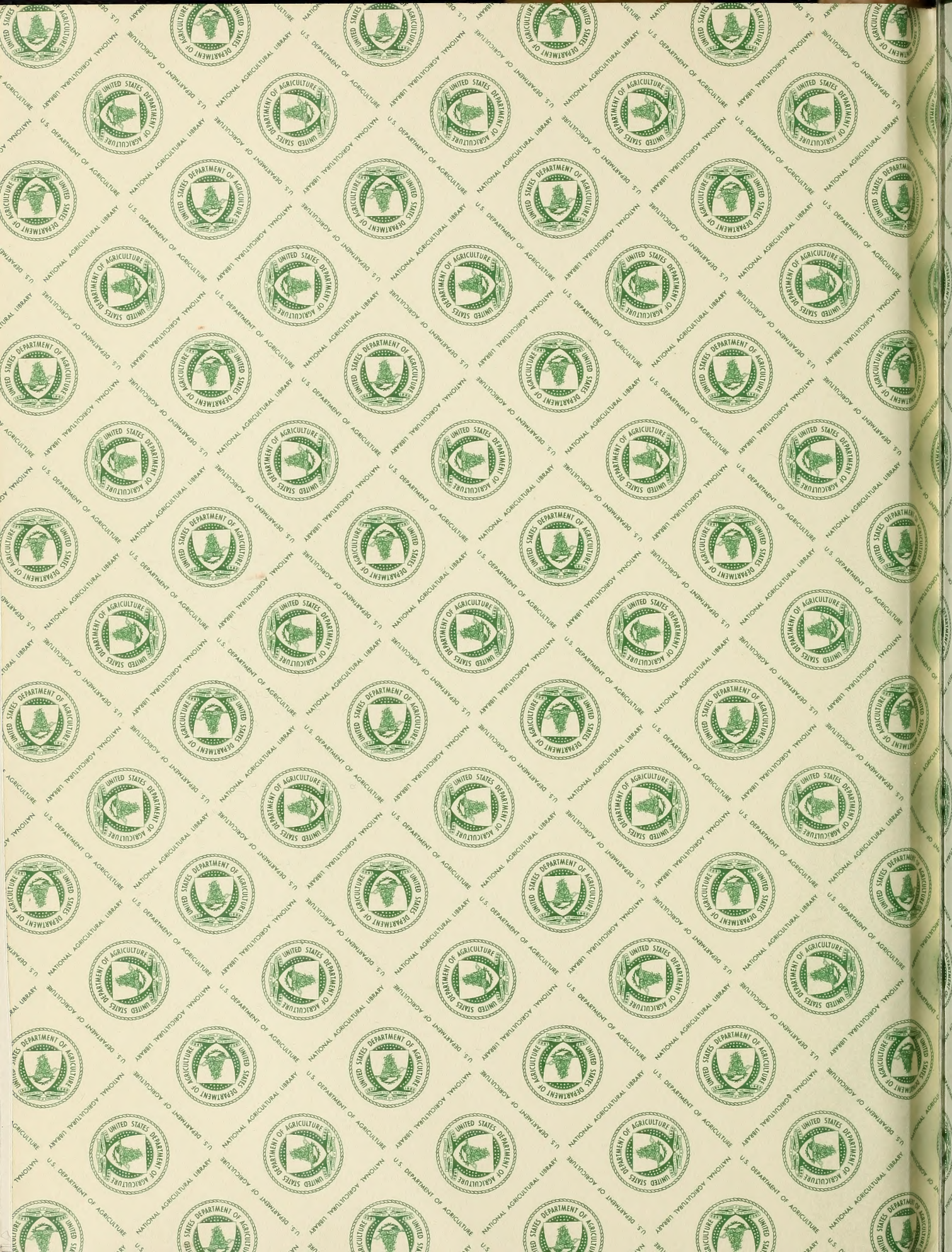


















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